



OFFICE OF THE CITY AUDITOR

City and County of Honolulu
State of Hawai'i



Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices

A Report to the
Mayor
and the
City Council of
Honolulu

Report No. 05-01
March 2005

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Submitted by

**THE CITY AUDITOR
CITY AND COUNTY OF
HONOLULU
STATE OF HAWAII**

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Foreword

This is a report of our audit of the city's sole source, emergency, and professional services procurement practices. The city auditor initiated this audit pursuant to Section 3-502.1(c) of the Revised Charter of Honolulu and the Office of the City Auditor's Annual Work Plan for FY2004-05. The city auditor determined that this audit was warranted because of longstanding public concerns about the city's procurement practices in awarding contracts for construction, goods, and professional services.

During this audit, city administration imposed ad hoc restrictions on department cooperation and compliance with the city auditor. Despite these limitations we were able to complete the audit without any significant scope impairment. However, the administration's attempts to limit our access to staff and information not only violates the city charter but raises a cloud of suspicion over the city's desire to *conceal* information from my staff, the council and the public.

We wish to acknowledge the assistance of the Department of Budget and Fiscal Services, and others whom we contacted during this audit.

Leslie I. Tanaka, CPA
City Auditor

EXECUTIVE SUMMARY

Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices

Report No. 05-01, March 2005

The city auditor initiated an audit of the city's sole source, emergency, and professional services procurement pursuant to Section 3-502.1(c) of the Revised Charter of Honolulu and the Office of the City Auditor's Annual Work Plan for FY2004-05. The city auditor has determined that this audit is warranted because of longstanding public concerns about the city's procurement practices in awarding contracts for construction, goods, and professional services. This audit assessed whether the city's use of these procurement methods were in accordance with the Hawai'i Public Procurement Code and also provides information that has not previously been reported to the public and council.

Background

Procurement is an essential function of government and is the process through which government acquires construction, goods and services. In Hawai'i, all procurement contracts made by state and local government are subject to the provisions of the Hawai'i Public Procurement Code (state procurement code), Chapter 103D Hawai'i Revised Statutes (HRS). Procurement authority for the executive branch is centralized in the City and County of Honolulu. The Department of Budget and Fiscal Services is responsible for procuring all materials, supplies, equipment and services required by any agency of the city.

Summary of Findings

Expectations of competition, fairness, and openness to ensure taxpayers' dollars are spent in a prudent and responsible manner are established by statute and policy. In recent years, the purchasing division has implemented improvements to make the city's procurement operations more efficient and undertaken steps in planning for the future. However, our audit reveals that certain sole source, emergency, and professional services purchases approved by the city to have either violated the state procurement code or city policies.

Finding 1: Certain city sole source contracts have violated the state procurement code and city policies. There are indications of a pervasive level of procurement code violations. Anti-competitive practices are contrary to the law and costly for taxpayers.

- Among the random sample of the city's sole source contracts we reviewed, nearly 20 percent failed to meet the statutory sole source criteria;
- For certain procurements, the city's practices reflect efforts to accommodate sole source requests, despite inappropriate or insufficient justification provided by departments;
- Practices that restrict, rather than encourage competition, such as overuse of brand name specifications, and expensive requirements to favor the use of a particular vendor, are contrary to the state procurement code and can be costly for taxpayers; and
- The city's sole source procurement of trashcans was costly and improper. Had the city procured these items through competitive procurement, it could have saved taxpayers an estimated \$300,000. The city's use of capital improvement program (CIP) funds to purchase trashcans violated the city debt policy, thereby adding debt service costs for these receptacles.

Finding 2: The city's emergency procurement of a computer professional failed to meet the statutory requirement of a situation that is a threat to health, safety, welfare or life.

- The sample emergency procurements we reviewed generally met the statutory conditions and demonstrate requesting agencies' efforts to obtain three or more competitive quotes;
- However, the city's emergency procurement of a computer professional failed to meet the requirement of a threat to health, safety, welfare or life;
- Consideration should be given to the limited protections with the use of purchase orders versus the safeguards of formal contracts to protect the city's interests; and

- Our review of a random sample of emergency procurements revealed errors and missing information that had not been corrected in the city's official procurement files.

Finding 3: Professional services procurement practices reflect efforts to comply with statutory requirements. However, some evaluations raise concern due to its subjective nature. The city's chief procurement officer has not enforced corporation counsel's compliance with statutory requirement to electronically post the professional services contracts it awards.

- Our review of the city's professional services procurement practices found that the departments of budget and fiscal services and design and construction developed checklists and procedures that help project managers comply with statutory requirements;
- We found examples of narrative evaluations in procurement files that provided useful information upon which to award a contract. However, some evaluations of firms under consideration for city contracts were trivial and of little use in awarding contracts. This calls into question the basis for awarding those professional services contracts;
- In May 2000, the city's chief procurement officer and managing director instructed all city departments and agencies to comply with the electronic posting requirements of Act 141, SLH 2000. While the chief procurement officer obtained compliance from other city departments and agencies, it has not enforced corporation counsel's compliance with the statutory requirement; and
- Corporation counsel has not electronically posted the professional services contracts it awards, in direct violation of the state procurement code.

Finding 4: City administration imposed some *ad hoc* restrictions on the city auditor's access to information needed for this audit. Interviews could not be conducted without a supervisor being present. The Department of Design and Construction instructed staff to not comply with any request for any files by the auditor.

- Throughout fieldwork, we requested access to *any and all* documents related to the random sample of procurements selected for review;
- However, administrators with the departments of budget and fiscal services and design and construction informed us that certain documents, deemed *official* documents would be made available, while those deemed, *working* documents would not. As a result, departments selected the documents that it would and would not make available for the city auditor's review;
- Moreover, the acting deputy of design and construction instructed staff to not comply with any requests for any files by the city auditor;
- The administration's *ad hoc* restrictions to limit our access to staff and documents not only violates the city charter but also raises a cloud of suspicion over the city's desire to *conceal* information from the city auditor, council and the public; and
- Despite the city's efforts to block our access to information and staff, we were still able to satisfy ourselves by obtaining information from other sources and thus complete the audit without any significant scope impairment.

Recommendations and Response

We made a number of recommendations to the city's chief procurement officer who is the director of the Department of Budget and Fiscal Services to resolve deficiencies and problems identified during this audit. In summary, the chief procurement officer needs to ensure that sole source procurement approvals are in compliance with the state procurement code and city policy, and to seek advice and clarifications from the State Procurement Office regarding appropriate justifications for sole source procurements. Moreover, the chief procurement officer needs to require compliance with the city's debt and financial policies when purchasing equipment with CIP funds thereby restricting improper and unnecessary additions to debt service. Approvals granted for emergency procurement must meet the statutory requirements of a threat to health, safety, welfare or life. Also, more attention is needed to ensure that errors and missing information in the city's official emergency procurement files are corrected in a timely manner. Finally, the chief procurement officer needs to ensure that the Department of the

Corporation Counsel complies fully with the electronic posting requirements for professional services and ensure that it provides the required documents to the purchasing division for the city's official procurement files.

We also made a recommendation to the city managing director that it inform and require city agencies to comply with the city charter requirement that authorizes the city auditor's full, free, and unrestricted access to city employees and agency records during an audit.

In its response, the Department of Budget and Fiscal Services generally disagreed with the findings on the sole source and emergency procurements, as well as the findings pertaining to the procurement of professional services in the audit report. The comments focused on the specific procurements, but did not indicate whether it agreed or disagreed with the basis of the findings, namely the over-arching principles of competition and openness in public procurement, the provisions of the state procurement code and city policy. The department provided information that it felt would have a significant impact on the conclusions, however it did not comment on the audit recommendations. Finally, the department's response provided some clarifying information, and changes, where appropriate were made to the final report.

The department justified the sole source procurements of litter receptacles and believes the use of CIP funds for those purchases did not violate the city's debt policy. It denied that restrictive specifications were used for the sole source procurement of rainbow appliqué for the city's transit buses, noting that it is a common, accepted, and non-restrictive practice to use brand names to specify the type and quality of the product desired. On a positive note, the department expressed interest in the possibility of posting the city's sole source notices on the city's website. The department strongly disagreed that the circumstances during the computer system installation provided sufficient justification to use emergency procurement to obtain the services of a second project manager. The acting corporation counsel provided new information, not available during our fieldwork, on its efforts to comply with Act 52, SLH 2003. The department also noted that the acting corporation counsel would comply fully with the statutory electronic posting requirements. We incorporated certain other changes for the purpose of accuracy and clarity. However, the department's response to our draft report did not change any of our major audit findings, conclusions or recommendations.

We stand by the statements in our report and recommendations contained herein.

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Table of Contents

Chapter 1 Introduction

Background	1
Objectives of the Audit	12
Scope and Methodology	12

Chapter 2 Some Procurement Practices of the City Violate the State Procurement Code and City Policies, Limit Competition, and Are Costly to Taxpayers

Summary of Findings	15
Certain Sole Source Contracts Violated the State Procurement Code and City Policies	16
Emergency Procurement of a Computer Professional Failed to Meet Statutory Requirements	32
Procurement of Professional Services Requires More Attention to Documentation and Compliance with Statutes	37
Ad Hoc Restrictions Impaired Auditor's Access to Information	41
Conclusion	42
Recommendations	43

Response of the Affected Agency.....	79
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List of Exhibits

Exhibit 1.1	Organization Chart of the City's Central Procurement Function of the Department of Budget and Fiscal Services (BFS) as of December 1, 2004	4
Exhibit 1.2	Sole Source Procurement Process \$25,000 or More, Section 103D-306, HRS	6

Exhibit 1.3	Emergency Procurement Process \$25,000 or More, Section 103D-307, HRS	8
Exhibit 1.4	Professional Services Qualified List Procurement Process \$25,000 or More, Section 103D-304, HRS	10
Exhibit 2.1	Photo of a \$773 <i>Ironsites</i> Litter Receptacle Purchased By the City	21
Exhibit 2.2	Photos Comparing the Rainbow Design Bus and the Revised <i>TheTransit</i> Design Bus that Costs \$22,000 per Bus for the Gray Paint	28

List of Appendixes

Appendix A	List of City's Sole Source Procurements \$25,000 or More, FY2001-02 to FY2003-04	47
Appendix B	List of City's Emergency Procurements \$25,000 or More, FY2001-02 to FY2003-04	55
Appendix C	List of City's Professional Services Qualified List Procurements \$25,000 or More, FY2001-02 to FY2003-04	61
Appendix D	Description of Department Codes	77

Chapter 1

Introduction

The city auditor initiated an audit of the city's sole source, emergency, and professional services procurement pursuant to Section 3-502.1(c) of the Revised Charter of Honolulu and the Office of the City Auditor's Annual Work Plan for FY2004-05. The city auditor has determined that this audit is warranted because of longstanding public concerns about the city's procurement practices in awarding contracts for construction, goods, and professional services. Information regarding the number and dollar amount of these types of procurements is very limited and has not been the focus of prior city audits and reports. This audit assessed the city's use of these procurement methods in accordance with the Hawai'i Public Procurement Code and provides information that has not previously been reported to the public and council.

Background

Procurement is an essential function of government and is the process through which government acquires construction, goods, and services. Competition in public procurement means providing fair opportunities to qualified vendors to compete for government contracts by vying against each other to offer the best prices or costs, quality and services. For government, competition among bidders is the best method to obtain quality construction, goods, and services at favorable prices. However, when competition is available but is artificially restricted, a central objective of public procurement is defeated. Competition is inadequate when known competent vendors do not receive a fair opportunity to submit a bid or proposal. The National Association of State Purchasing Officials advises governments to foster as much competition as possible, while having the flexibility to allow for circumstances where competition may be limited or waived.

A unique characteristic of competitive public procurement is the underlying principle that the process is fair and impartial. To accomplish this goal, requirements for public notice, solicitation of bidders, and proper documentation are intended to promote government transparency and prevent arbitrariness, favoritism or fraud. Maintaining the integrity of the government's procurement process is essential to ensure that taxpayers' funds are spent prudently on the public's behalf and not for personal benefit of government officials, employees, or their friends through conflict of interest, abuse, or fraud.

Hawai‘i Public Procurement Code

Concurrent with nationwide procurement reform efforts in the 1980s and 1990s, Hawai‘i’s 1993 legislature enacted a comprehensive procurement code for the State of Hawai‘i. The Hawaii State Legislature established the Hawai‘i Public Procurement Code (state procurement code), codified as Chapter 103D, Hawai‘i Revised Statutes (HRS), as the single source of public procurement policy that applied equally and uniformly to the state, counties, and related governmental entities in Hawai‘i.

All procurement contracts made by state and local government are subject to the provisions of Chapter 103D, HRS, and the administrative rules adopted by the State Procurement Policy Board.

For the city, the state procurement code delegates procurement authority through chief procurement officers (CPO), with the Director of the Department of Budget and Fiscal Services as the CPO for the executive branch and the Chair of the Honolulu City Council as the CPO for the legislative branch.

Since its passage in 1993, the state procurement code has been amended to improve and clarify government procurement activities. In 2000, the legislature adopted Act 141, Session Laws of Hawai‘i (SLH) 2000, amending the state procurement code to require the electronic posting of professional services awards. In 2003, the legislature sought further changes to the procurement of professional services.

Intent of Act 52, SLH 2003, for professional services procurement

In 2003, the legislature adopted Act 52, SLH 2003, to promote public confidence and increase openness in the procurement of professional services. Effective July 1, 2003, the new requirements pertaining to professional services include:

- Publishing additional notices when new needs for professional services arise;
- Documenting the names of participants in the review and selection of consultants;
- Requiring agency heads to ensure impartiality and independence of members assigned to review and selection committees;

- Requiring selection committees to document in writing, any additional criteria used to ensure full, open, and fair competition for professional services contracts;
- Establishing a prompt debriefing process so that offerors whose proposals were not selected could obtain an evaluation of its offer, the basis of the selection decision and contract award from the purchasing agency; and
- Requiring the electronic posting of all professional services contracts awarded for \$5,000 or more.

Organization of the city's procurement function

Procurement authority for the executive branch is centralized in the City and County of Honolulu. The Department of Budget and Fiscal Services is responsible for procuring all materials, supplies, equipment and services required by any agency of the city, pursuant to Section 9-301 of the Revised Charter of Honolulu (RCH). The director of budget and fiscal services, the city's CPO, oversees the department's Purchasing and General Services Division (purchasing division), which administers the centralized purchasing activity for the city. The division is responsible for procuring all construction, goods, and services, as well as providing procurement assistance to city agencies. The CPO has delegated authority to the purchasing division administrator to advertise all types of procurement, except professional services, to receive and open bids and proposals, and to make awards for goods, services, and construction contracts valued at \$100,000 and less.

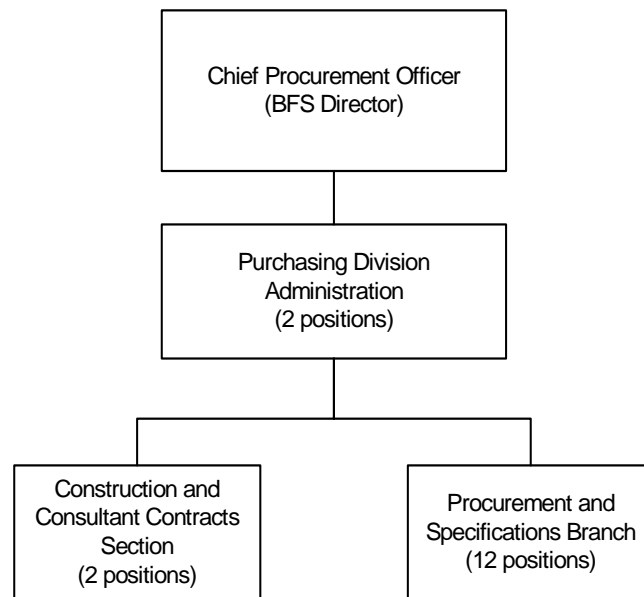
As of December 1, 2004, the purchasing division had 16 permanent full-time employees responsible for procurement activities. As noted in Exhibit 1.1, 14 of the 16 full-time employees are divided among the Construction and Consultant Contracts Section and the Procurement and Specifications Branch.

The division's procurement responsibilities are carried out by two units—the Procurement and Specifications Branch and the Construction and Consultant Contracts Section. The Procurement and Specifications Branch is responsible for the centralized purchasing of goods and services for city agencies. Through its staff of nine procurement specialists and three clerks. The branch establishes standards and specifications, develops proposal documents, and provides technical assistance to agencies to assure quality purchases at reasonable prices.

The Construction and Consultant Contracts Section is responsible for reviewing contracts, recommending changes, and assisting city agencies procuring construction and professional services. The section is comprised of one procurement specialist and one clerk.

Exhibit 1.1

Organization Chart of the City's Central Procurement Function of the Department of Budget and Fiscal Services (BFS) as of December 1, 2004



Source: Department of Budget and Fiscal Services

***Procurement methods
and processes***

The state procurement code establishes that unless otherwise authorized by law, *all* contracts shall be awarded by **competitive sealed bidding**, also referred to as **invitation for bids**, pursuant to Section 103D-302, HRS. Competitive sealed bidding requires an invitation for bids containing a description of the purchase or scope of work for construction, and contractual terms and conditions; adequate public notice; and public opening of bids. Bids are evaluated based on the requirements set forth in the invitation for bids and award is made to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

Under specific circumstances and with approval from the city's CPO, agencies can procure goods, services or construction through sole

source, emergency or professional services methods in lieu of competitive sealed bidding.

Sole Source

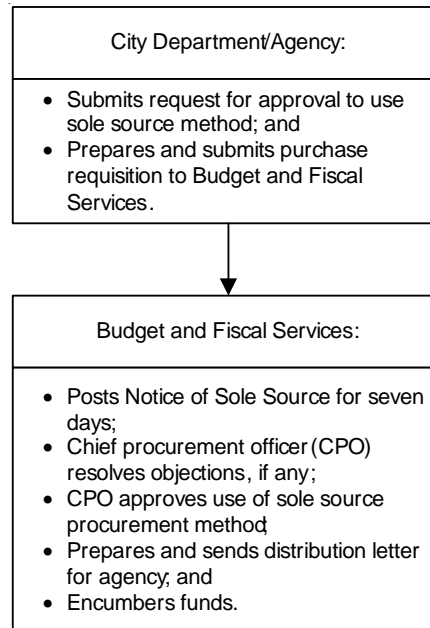
Sole source procurement, i.e., approval to award a contract without competition, is intended for situations when there is only *one* source available for construction, goods, or services that costs \$25,000 or more, pursuant to Section 103D-306, HRS. The procurement administrative rules specify the statutory justification for the use of sole source. Section 3-122-81(c), Hawai‘i Administrative Rules (HAR), states:

“Justification for a sole source purchase must establish that the good, service, or construction, has a unique feature, characteristic, or capability; essential to the agency to accomplish its work and is available from only one supplier or source.”

Certain items, however, have been pre-approved for sole source procurement by the State Procurement Policy Board. These include the repair, installation, or relocation of utility company equipment or facilities owned by the utility, annual software license and maintenance available from only one source, and manufacturer software conversions, modifications and maintenance for existing programs. For procurements valued at \$25,000 or more, the city awarded 59 sole source procurements in FY2001-02; it awarded 67 sole source procurements in FY2002-03; and 58 in FY2003-04 (see Appendix A for a listing of all sole source procurements valued at \$25,000 or more). The city used sole source to procure goods and services, but not for construction during those three fiscal years. Over 80 percent of the city’s sole source procurements are processed through purchase orders and the remainder as contracts.

The process for approving sole source requests is set forth in Section 3-122-82, HAR. To obtain sole source approval, the agency requesting the procurement must complete and submit a written *Request for Sole Source* and a *Notice of Sole Source*. Prior to any approval action, the CPO must post a copy of the notice in an area accessible to the public for at least seven calendar days. After seven days, the CPO can approve the request if there are no objections. If there are objections, the sole source approval process is placed on hold until the CPO makes a determination. Exhibit 1.2 depicts the sole source procurement process when purchase orders are used.

Exhibit 1.2
Sole Source Procurement Process \$25,000 or More,
Section 103D-306, HRS



Source: Department of Budget and Fiscal Services

Emergency

In responding to an emergency situation, it would be impractical to purchase needed goods, services, or construction through the invitation for bids process. As such, Section 103D-307, HRS, of the state procurement code, allows **emergency procurement** when the following conditions exist:

1. A situation of unusual or compelling urgency creates a threat to life, public health, welfare or safety by a major natural disaster, epidemic, riot, fire or such other reason determined by the head of the purchasing agency;
2. The emergency condition generates an immediate and serious need for goods, services or construction that cannot be met through normal procurement methods and the government would be seriously injured if the purchasing agency is not permitted to employ the means it proposes to use to obtain goods, services or construction; and

3. Without the needed goods, services or construction, the continued functioning of government, the preservation or protection of irreplaceable property, or the health and safety of any person will be seriously threatened.

This method applies to all emergency procurement expenditures for goods, services or construction valued at \$25,000 or more. The state procurement code encourages agencies to seek competition as is practicable under the circumstances. Unique to emergency procurement is the provision allowing agencies to respond immediately to the emergency and submit the required information to the CPO after responding to the emergency.

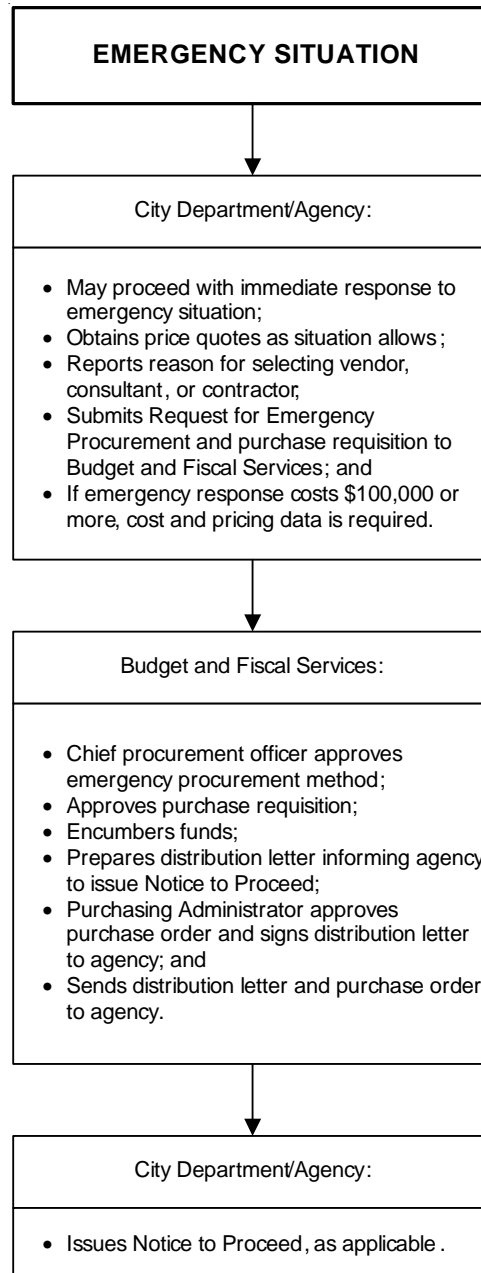
There are restrictions on purchases using emergency procurement. Agencies are authorized to purchase goods, services or construction to meet *only* the immediate need, and *not* for subsequent requirements.

In requesting approval from the CPO, an agency must provide specific information. Section 3-122-90(a) HAR, requires the agency to indicate in writing:

1. Nature of the emergency;
2. Name of the contractor;
3. Amount of expenditure;
4. List of the goods, service, or construction; and
5. Reason for selection of the contractor.

Most of the city's emergency procurements are processed through purchase orders. Purchase orders were used in 97 percent of the city's emergency procurements from FY2001-02 to FY2003-04. Of the 26 procurements selected through random sampling, 24 were purchase orders, and two were contracts. Based on the purchasing division's records of emergency procurements valued at \$25,000 or more, the city awarded 48 emergency awards in FY2001-02, 43 in FY2002-03, and 65 in FY2003-04 (see Appendix B for a listing of all emergency purchases valued at \$25,000 or more). Exhibit 1.3 presents a flowchart of the city's emergency procurement process using purchase orders.

Exhibit 1.3
Emergency Procurement Process \$25,000 or More,
Section 103D-307, HRS



Source: Department of Budget and Fiscal Services

Professional services qualified list method

Each year, the city requires the professional services of attorneys, accountants, and others, who are not city employees. Professional services, except for design professionals, can be procured through invitation for bids, request for proposals, emergency, exempt, sole source or professional services through **request for qualifications**, also known as the **qualified list method**. However, the services of design professionals, engineers, and surveyors licensed under Chapter 464, HRS, can be procured *only* through Section 103D-304, HRS, professional services, or Section 103D-307, HRS, emergency procurement.

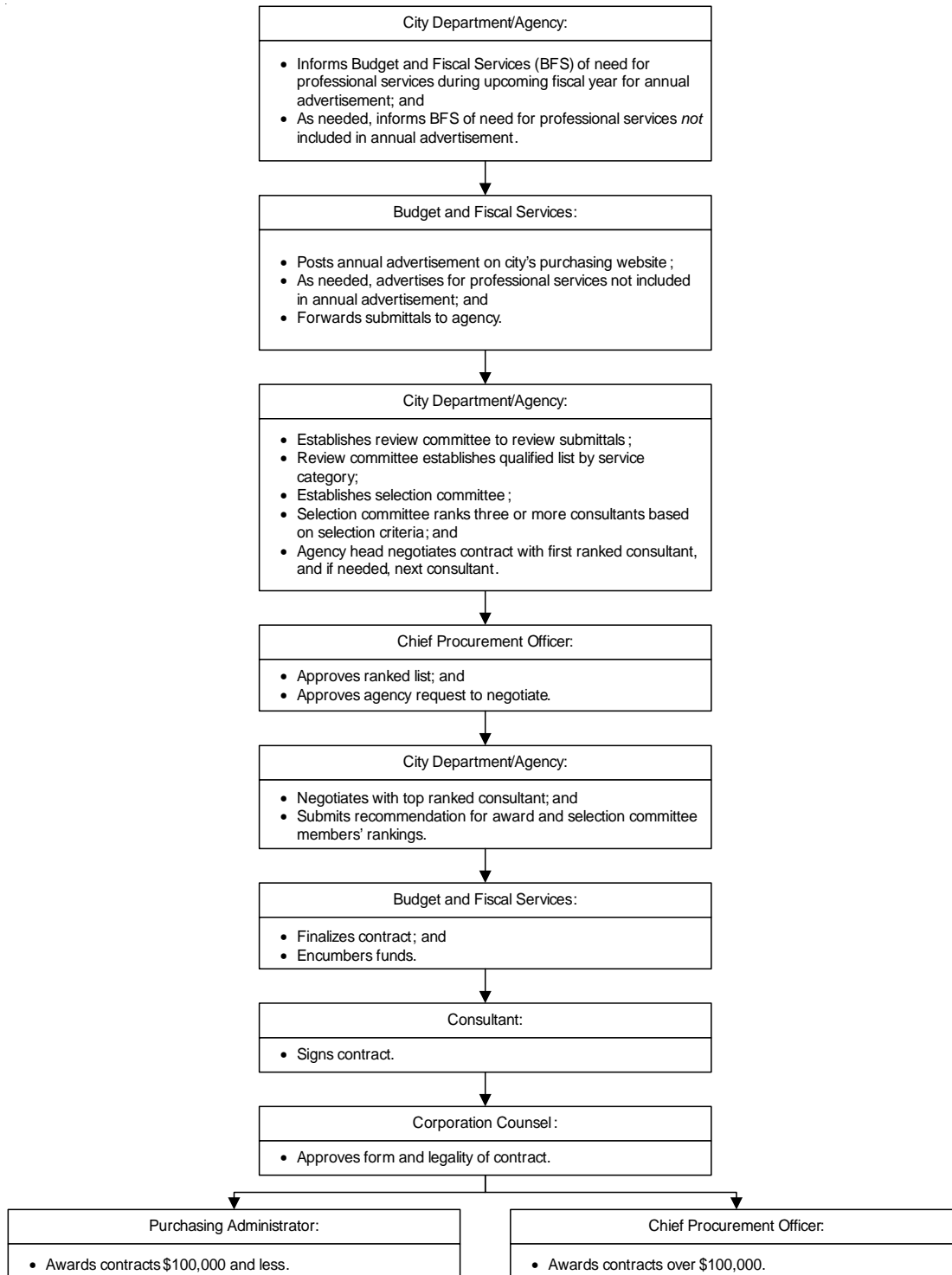
The state procurement code requires contracts for professional services to be awarded on the basis of demonstrated competence, qualification for the type of services required, and at fair and reasonable prices. The qualified list process requires agencies needing professional services to publish a notice before the beginning of each fiscal year inviting interested persons or firms to submit current statements of qualifications and expressions of interest to the agency. City agencies comply with this requirement by posting an annual notice on the city's purchasing website, in the local newspaper, or in a professional publication, such as the Hawai'i Bar Journal.

From these responses, each requesting agency develops a list of individuals who have been qualified through the agency's review committee to perform professional services. When an agency needs the professional services, it must establish a selection committee to identify a minimum of three firms or persons, in ranked order, determined to be the most qualified. The head of the purchasing agency begins negotiating with the first ranked firm or individual and so on until a contract at fair and reasonable compensation is reached.

The majority of the city's professional services contracts valued at \$25,000 or more are procured through the qualified list method. In FY2001-02, the city awarded 245 professional services contracts through the qualified list method; there were 112 professional services qualified list awards in FY2002-03, and 118 in FY2003-04 (see Appendix C for a listing of all professional services valued at \$25,000 or more). Exhibit 1.4 depicts the process for procuring professional services through the qualified list method.

Exhibit 1.4

Professional Services Qualified List Procurement Process \$25,000 or More, Section 103D-304, HRS



Source: Department of Budget and Fiscal Services

***Noteworthy
improvements to the
City's procurement
function***

In recent years, the purchasing division has implemented improvements to the city's procurement operations and has undertaken steps in planning for the future. The purchasing administrator has been instrumental in adopting technology to make the city's procurement activities more efficient. The division is also planning for the eventual replacement of the city's 22-year-old general ledger system. The purchasing division recently reviewed its work processes and identified the capabilities needed to properly track, manage, and streamline procurement operations and ensure compliance with statutory requirements.

The purchasing website provides public access to the city's procurement information, bids, and awards

Implementation of advanced features on the city's purchasing website has done much to advance the city's procurement activities. In May 2002, interactive features, developed through collaboration between the Department of Information Technology and the purchasing division, revamped the previous *static* website. Beginning July 1, 2003, the city began posting procurement notices for goods, services, and construction pursuant to Chapter 103D, HRS, on the city's purchasing website.

The interactive website provides many benefits to the purchasing division, bidders, vendors, and the public. As of December 2004, there were 3,434 registered users of the purchasing website, which over the last year received an average of 5,500 hits per month. The purchasing website provides general information about the city's procurement process, general terms and conditions, annual notices of professional services, instructions to bidders, bid notices, bid results, and requests for proposals. Bidders can download specifications at their office instead of making a trip to Honolulu Hale to pick up copies of documents. The website enables the division to post bid notices, see who downloads bid specifications, and track email addresses for sending bid addendums.

Employee suggestion saves the city thousands of dollars

During our audit, the division informed us of improvements to the procurement process that save the city money. Prior to 1999, the city provided copies of plans and specifications to contractors, subcontractors, and others interested in bidding on city projects. A set of printed project plans and specifications for a regular project cost between \$20 to \$100 to reproduce. However, based on a suggestion from one employee, the purchasing division switched from printed plans to plans and specifications stored electronically on diskettes and

compact disks. For a large project, such as the Kapolei Police Station project, the city issued 300 sets of blue prints, plans and specifications, that cost the city \$200 to \$300 per set. In contrast, the cost of providing plans and specifications on a compact disk is about five dollars. The purchasing division estimates that the annual savings on paper alone is around \$200,000.

Objectives of the Audit

1. Review and evaluate whether the city's sole source, emergency, and professional services procurement practices comply with state and city procurement laws, rules and procedures.
2. Make recommendations as appropriate.

Scope and Methodology

To assess the city's procurement practices we reviewed the Hawai'i Public Procurement Code, Chapter 103D, HRS, procurement administrative rules, the Revised Charter of Honolulu, the Revised Ordinances of Honolulu, and the city's procurement policies and procedures. We also reviewed information posted on the State Procurement Office and the city purchasing websites. We reviewed publications by the National Association of State Procurement Officials, the National Institute of Governmental Purchasing, the National Association of Local Government Auditors, Government Finance Officers Association, city and state government reports, and media coverage of city procurement activities. We also interviewed the State Procurement Administrator.

To assess the city's practices for emergency, professional services qualified list, and sole source procurements, we requested from the purchasing division, lists of those procurements valued at \$25,000 or more, that were awarded in FY2001-02, FY2002-03, and FY2003-04. We reviewed a random sample of emergency, professional services qualified list, and sole source procurements awarded during those three fiscal years. The sample size was determined using a 90 percent confidence level, with an error rate of plus or minus ten percent.

We reviewed the city's official procurement files maintained by the Department of Budget and Fiscal Services' purchasing division and also the procurement files maintained by the agencies that requested the procurements. We interviewed administrators and staff from the

Department of Budget and Fiscal Services and requesting agencies, including the departments of corporation counsel, design and construction, emergency services, enterprise services, environmental services, facility maintenance, human resources, information technology, managing director, police, prosecuting attorney, and transportation services. We also interviewed vendors, manufacturers, contractors, and an administrator with the state workers' compensation division regarding the sample procurements as needed. We visited one vendor related to a sole source procurement.

While the city attempted to block our access to information and staff, violating the city charter and as noted in a Chapter 2 finding in this report, we were still able to satisfy ourselves by obtaining information from other sources and complete the audit without any significant scope impairment.

Our work was performed from July 2004 to December 2004 in accordance with generally accepted government auditing standards.

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Chapter 2

Some Procurement Practices of the City Violate the State Procurement Code and City Policies, Limit Competition, and Are Costly to Taxpayers

Expectations of competition, fairness, and openness to ensure taxpayers' dollars are spent in a prudent and responsible manner is established by statute and policy. However, we found certain sole source and emergency purchases approved by the city to have violated the state procurement code. Moreover, the city failed to enforce the corporation counsel's compliance with the statutory requirement to post the professional services contracts it awards. Anti-competitive practices are contrary to the law and can be costly for taxpayers. Inadequate dissemination of notices and information on the city's procurements hide questionable actions and restrict competition. Finally, city administration imposed ad hoc restrictions on department cooperation and compliance with the city auditor contrary to city charter requirements.

Summary of Findings

1. Certain sole source contracts violated the state procurement code and city policies. There are indications of a pervasive level of procurement code violations. Anti-competitive practices are contrary to the law and costly for taxpayers.
2. The city's procurement of a computer professional failed to meet the statutory requirement of an emergency; specifically, a situation that is a threat to health, safety, welfare or life. Procuring goods, services, or construction using purchase orders lacks contractual safeguards to protect the city's interests. The sample emergency procurement files we reviewed had missing and inaccurate information that had not been corrected.
3. Professional services procurement practices reflect efforts to comply with statutory requirements. However, some evaluations raise concern due to their subjective nature. The city's chief procurement officer has not enforced the corporation counsel's compliance with the statutory requirement to report the professional services contracts it awards.

4. City administration imposed some *ad hoc* restrictions on the city auditor's access to information needed for this audit. Interviews could not be conducted without a supervisor's presence. The Department of Design and Construction instructed staff to not comply with any request for any files by the auditor.

Certain Sole Source Contracts Violated the State Procurement Code and City Policies

The National Association of State Purchasing Officials notes that all public procurement programs need to monitor and correct their operations for practices that impair or discourage competition. In contrast, we found indications of a pervasive level of procurement code violations in the city's sole source contracts. Instead of requiring the use of competitive procurement practices, the city's practices reflect efforts to accommodate sole source requests lacking sufficient justification. Anti-competitive practices are contrary to the state procurement code and can be costly for the taxpayers.

The prevalence of improper sole source procurements was surprising

Sole source procurement is intended for situations when there is only *one* source available for goods, services, or construction. Agencies are required to establish that the good, service, or construction, has a *unique* feature, characteristic, or capability; it must also demonstrate that the sole source purchase is *essential* to the agency to accomplish its work and is available from only *one* supplier or source.

An example of a unique service, essential for an agency to accomplish its work, is the Sex Abuse Treatment Center located at Kapi'olani Women's and Children's Hospital. The Department of the Prosecuting Attorney administers the city's contract with the Sex Abuse Treatment Center. The city's contract requires the center to operate 24-hours a day, 7-days a week and is fully equipped to provide specialized medical, legal and crisis services for victims of sexual abuse on O'ahu. The annual cost of these services was approximately \$391,000 in FY2003-04.

The center is intentionally the only facility providing specialized care for victims of sexual abuse on O'ahu. Prior to its establishment in 1976, victims of sexual abuse could be treated for their injuries at various hospitals and health facilities or at the Honolulu Police Department's Pawa'a Annex. However, some hospitals refused to conduct tests for legal evidence. Inconsistencies in resources, training, staffing and evidence handling sometimes led to legal challenges and evidence being

thrown out of court. In 1976, the Honolulu Police Department, victims, and advocacy groups succeeded in establishing a single facility with specially trained physicians and staff, resources, and specialized equipment and technology to ensure proper evidence gathering necessary for legal proceedings.

In contrast, we found a number of procurements in our random sample failed to meet the sole source criteria. Approvals were sought and granted so that the city could continue working with the same vendor or provider, while other approvals were granted to purchase a specific item based on aesthetics. Our examination of a random sample of the city's sole source procurements during FY2001-02 to FY2003-04, revealed that five of the 26 purchases we reviewed, or about 20 percent, failed to meet the statutory conditions for sole source approval and have been costly.

Anti-competitive approvals are costly and contrary to prudent purchasing practices

Competition, according to the National Association of State Purchasing Officials, in public procurement means providing fair opportunities to qualified vendors to compete for government contracts by vying against each other to offer the best prices or costs, quality and service. However, when competition is available but is artificially restricted, a central principle of public procurement is defeated. Competition is inadequate when known competent vendors do not receive a fair opportunity to submit a bid or proposal. No bidder, reasonably capable of responding to a solicitation should be excluded. If nothing else, putting service providers on notice that they must compete for contracts keeps rates lower and performance levels higher.

Workers' compensation division wanted to continue working with the same vendor

The Department of Human Resources, through its Industrial Safety and Workers' Compensation Division, administers the city's workers' compensation program. The division receives 80 to 100 medical bills for workers' compensation daily and its employees conduct an initial review to verify that the claimant is a city employee and whether the bill is from a legitimate health care provider. The medical bills deemed compensable are then sent to the city's vendor for audit services, which includes having nurses examine the medical services provided and the corresponding billing codes, follow-up with medical providers, and adjusting the bills as needed. The vendor then processes and mails the payments to the medical service providers. According to the division administrator, these services save the city about \$1 million annually.

The department first sought a vendor for workers' compensation medical bill auditing and payment services through a request for proposals in November 1997. Of the two companies that responded, only one proposal met the evaluation criteria. The contract period began on April 1, 1998 for a term of two years, with an option to extend up to a maximum of five years. The department eventually extended the contract for the full five years.

During the final year of the contract extension, the department requested approval to continue using the same vendor through a sole source contract, rather than seeking vendors through competitive means. In February 2003, the department explained that retaining the same firm would ensure continued efficiency and cost savings for the city and, uninterrupted services to injured city workers and their medical providers. The workers' compensation division administrator expressed satisfaction with the existing vendor's performance, but noted if they were dissatisfied, then it might be necessary to try a different vendor. Although the city approved the non-competitive award, it was based upon improper sole source justifications.

The state procurement rules identify the conditions for using sole source, but also provide further guidance by identifying improper justifications for sole source procurement. Specifically, Section 3-122-81(f)3 HAR, states that the fact that a person or organization is or has been furnishing services to an agency does not, by itself, render it as the only source for the type of service required.

The department's sole source justification also noted that the city's workers' compensation software is customized to receive data from the firm and that they did not know of another vendor with compatible software to immediately provide the needed services. However, the requirements for software compatibility and continuity of services could have been incorporated in a proposal's specifications. Moreover, two other workers' compensation vendors in Honolulu noted that software conversion programs currently available are capable of handling the city's software. Had the department competitively procured these services, they would have learned of the advances in software capabilities in the five years since the contract was awarded.

The administrator also noted that there was not enough time to advertise for proposals. However, the lack of time left on a contract is insufficient justification for sole source approval. The city charter requires city agencies to provide enough time to advertise for bids. Section 9-301(d),

RCH, requires agencies to allow sufficient time for the advertisement of bids to ensure full and free competition to procure the goods or services it requires.

The department knew well in advance that the contract was ending. On February 27, 2002, a full year in advance of the contract completion date, the workers' compensation division administrator informed the purchasing division that the final contract extension would end in March 2003 and inquired whether they would have to go out for another request for proposals or if there was a way to give the firm additional extensions. Sufficient time was available to prepare a new request for proposals.

Another reason given by the department to justify sole source was the limited response to the previous request for proposals. Only two firms responded to the city's prior solicitation and, based on those results, the department anticipated similar results if the city were to advertise again, even though five years had elapsed. The city accepted that explanation. We discussed timeframes for advertising and re-advertising for bids with the State Procurement Administrator. Noting that identifying new providers is now much easier and more efficient because of the Internet, the state's informal practice is to allow two years or less between advertisements depending on the nature of goods or services. After five years, it is reasonable to conclude that the city should make a good faith effort to identify other providers. When asked whether the state uses the same firm as the city or a different provider, the city's workers' compensation division administrator stated that they did not know.

Last year, the city forwarded 21,950 medical bills to the workers' compensation firm for auditing and payment services. The department estimated the annual cost of these services at \$384,000. According to the city's division administrator, no other company has the resources locally to process the volume of bills generated by the city or to attend administrative hearings for disputes in Honolulu. Yet, when we contacted the state workers' compensation division regarding their auditing and bill payment service provider, they informed us that they had recently evaluated three companies with sufficient staffing and resources locally to process the volume of medical bills generated by the state *or* the city. While the state office considered the firm used by the city, the state chose a different company. When asked how the state identified those companies, the administrator replied that the workers' compensation community in Hawai'i is close-knit, thus users and providers are well aware of each other's needs and capabilities. We

contacted the two firms not used by the city. Interestingly, both firms had met with the city to market their workers' compensation services only to be told that the city already had a contract for these services. Neither of these firms was aware that the city posts sole source notices on a bulletin board at City Hall. Had the city advertised a request for proposals, it is likely that three or more companies would have been interested in the city's contract.

Clearly, the use of sole source procurement denied fair opportunities to known vendors to compete for this lucrative city contract. Based on the comments from the other workers' compensation firms, the existing practices hinder needed transparency in the city's procurement of these services.

On September 4, 2003, the city executed the new contract with the existing workers' compensation firm. Awarding this contract on a sole source basis was imprudent because it denied the city the opportunity to obtain specific comparative information on current rates, services and savings from other providers, and improper because it failed to meet the statutory criteria for sole source.

Sole source purchase of expensive litter receptacles costly

Sole source procurement is permissible when there is *only one* source available for construction, goods, or services, pursuant to Section 103D-306, HRS. To justify a sole source purchase, the city must establish that the item has a *unique* feature, characteristic, or capability that is *essential* in order for the agency to accomplish its work; and is available from *only one* source. Software updates are an example and is an item pre-approved for sole source procurement.

However, we found that the city used sole source to purchase a common item, manufactured by many different companies. In November 2002, the city used the sole source method to purchase outdoor litter receptacles. The Department of Design and Construction sought and received sole source approval to purchase 90 litter receptacles, ten standard lids, and 80 ashtray lids for beautification projects in Waikiki and Kapolei. At that time, the standard *Ironsites* outdoor litter receptacle and standard lid cost \$598 each. The ashtray lid costs an additional \$175 each; together, the receptacle and ashtray lid cost \$773. The total cost of this order, including freight was \$73,349.

The National Association of State Purchasing Officials and the State Procurement Office recommend using bid specifications and product

performance requirements that encourage competitive bids, and advise against using brand names. Our review of a 2002 manufacturers' catalog identified 29 manufacturers of outdoor litter receptacles, including the vendor used by the city.

The justification for using sole source for these particular litter receptacles did not meet the standards for sole source procurement and the explanations matched statements from the receptacle's product specifications. For example, the *unique* features included 3/8" thick solid steel bars and welded construction, which provides strength, functionality, and durability. The hot dipped galvanizing process, along with its powder coating, gives added longevity to the surface finish in the corrosive salt air environment.

Rather than describe how the unique features were essential for the Department of Design and Construction to accomplish its work, the justification noted the aesthetic appeal in public places and graffiti deterrence. In its explanation why other sources did not meet its needs, the department wrote that there are no other manufacturers that combine durability, aesthetics and a design that inhibits graffiti. Exhibit 2.1 is a photo of the *Ironsites* litter receptacles purchased by the city.

Exhibit 2.1

Photo of a \$773 *Ironsites* Litter Receptacle Purchased By the City



A vendor and two other manufacturers we contacted indicated that the construction and painting procedures described in the city's justification are common manufacturing treatments for improved durability for outdoor receptacles that are not unique or special. The vendor and manufacturers identified litter receptacles in their product lines comparable to the *Ironsites* receptacle purchased by the city.

The city's sole source purchase of 90 litter receptacles was preceded by much larger sole source procurements. In April 2002, the city purchased 900 *Ironsites* litter receptacles, at \$598 each, for a total cost of \$593,492. These orders were placed by the departments of facility maintenance and transportation services for Waikiki, downtown area, Fort Street Mall area, and bus stops throughout O'ahu.

The city's *Competitive Purchases* policy advises agencies to exercise prudent purchasing practices at all times. We contacted project managers for the city's procurements of *Ironsites* receptacles to ascertain the special characteristics and whether they contacted other manufacturers for cost comparisons. Each replied that *no* other manufacturers were considered because the city directed them to purchase the specific *Ironsites* receptacle. One commented that the city's choice was based on standardization and aesthetics, but definitely *not* cost. Ensuring that the city's outdoor litter receptacles matched others in urban areas and across the island at bus stops took precedence over purchasing reasonably priced receptacles. Despite the cost and availability of other manufacturers, the city purchased a total of 990 receptacles without competitive bidding at a total cost of \$666,841.

City could have purchased reasonably priced litter receptacles

Performance specifications state the function of an item that an agency wishes to achieve. This method is preferred since performance specifications do not commit the public purchaser to a brand name product that it presumes will meet the function. As a practical matter, specifications often contain elements of both design and performance. The city should have specified the performance requirements desired of the city's new litter receptacles, such as rust and graffiti resistant materials, expected lifecycle, and warranties. The city's instructions to project managers to order a specific make and model is inappropriate and contrary to prudent public procurement practices.

Additionally, the city should have disclosed the total number of litter receptacles it planned to purchase and the time period for the purchase. The State Procurement Administrator noted that some manufacturers

might not bid on lesser quantities, but might bid and offer discounts for large quantities. Had the city sought competitive bids for 990 durable outdoor litter receptacles, the city could easily have saved taxpayers around \$300,000. We contacted a number of manufacturers of outdoor litter receptacles and found numerous suitable, durable, graffiti resistant models at half the cost of the one selected by city administration. According to the manufacturer, *Ironsites* receptacles purchased by the city now cost over \$1,000 per receptacle.

Use of CIP funds violated the city debt policy

While the purchase of the trash receptacles under the sole source method was improper, we also note that the use of capital improvement program (CIP) funds to finance these purchases violated city debt policy.

The Honolulu City Council established the city's debt and financial policies, Resolution 03-59, CD1, as guidelines for managing the city's operating and capital programs, budgets, and debt program. It seeks fiscal integrity and to minimize the city's level of debt. The policy, in Section II.A.1, states that capital costs funded in the capital budget exclude costs that recur annually, but include equipment having a unit cost of \$5,000 or more and an estimated life service of five years or more. Additionally, CIP funds are typically used to finance construction projects such as sidewalks, roads and sewers that have an expected life cycle of many decades. Capital funds are also used to purchase major equipment such as transit buses. However, there are restrictions on the use of CIP funds for equipment that take into consideration expected life cycle so that the maturity date for the bonds does not exceed the useful life of the equipment.

The city's debt policy allows items whose individual cost is less than \$5,000 to be funded in the capital budget if aggregated and made an integral part of a project costing \$25,000 or more and the estimated service life of every major component of the project is five years or more.

The purchase of the *Ironsites* outdoor litter receptacles for about \$600 per receptacle is far less than the \$5,000 minimum established for equipment purchased with CIP funds in the city's debt and financial policy. In addition, neither the manufacturer, nor the Department of Design and Construction could identify the estimated life of the *Ironsites* outdoor litter receptacles. While the manufacturer warrants their product for one year, it does not specify a useful life since it can vary due to usage or location. Yet, the city used CIP funds to purchase these

receptacles. We note that the total cost of these litter receptacles extends beyond their purchase price.

The total cost of the litter receptacles is higher than the purchase price due to debt service interest payments on city bond funds used to finance these purchases. As a result, the city's purchase of 990 *Ironsites* outdoor litter receptacles will far exceed the cost of \$666,841.

Non-competitive procurements of rainbow appliqué for city buses raise concern

Brand name specifications written have the effect of limiting the competition to a single product are the most restrictive kind of specification. The National Association of State Purchasing Officials cautions that brand name specifications should be permitted when only one product will meet the intended need. Since December 2001, the city made extensive use of brand name specifications in its initial request for proposals and a subsequent sole source procurement for the printing and application of large-scale, rainbow-design, plastic decals for new fleets of city transit buses. The department informed us that one supplier has been the sole provider of rainbow decals for all fleets of city buses.

For many years, Honolulu's public transit buses had been painted by the manufacturer with a tri-color earth tone stripe. In 2001, the city updated the design and replaced the earth tones with a multi-colored rainbow sweep and a tapa-inspired border. The complexity of this design precluded standard painting, however multiple exact copies could be replicated using computer graphics to print the design onto plastic, and adhered to the buses. These large-scale decals are called vinyl appliqué by the city. According to bus manufacturers, the large-scale decals have been used by other municipal transit organizations for a decade, with increasing popularity over the past five years. The vinyl stock used for the appliqué process is made by different manufacturers.

On December 13, 2001, the city advertised a request for proposals to fabricate and install 3M *Scotchprint* vinyl appliqué of the new bus rainbow design on two new fleets of city buses, ten Chance buses and 18 Gillig buses. The city's proposal listed detailed requirements for bidders. For example, the city required:

- 3M 8620C vinyl stock with overlamine;
- A certified 3M *Scotchprint* fabricator and installer in Honolulu, Hawai'i; and

- A plant for manufacturing vinyl appliques and manufacturing similar items for at least one year.

A principle rule of public procurement requires that procurement specifications encourage competition. Brand name specifications may discourage rather than encourage potential bidders. Instead of specifying both a proprietary product and certification, the city's specifications should have specified performance-based requirements, such as durability, resistance to fading or colorfastness, and product warranty. When brand or trade names are specified, the city has a process for determining approved equals. Prior to the bid opening date, competing firms with a similar product must demonstrate that it meets the specifications and obtain the agency's approval. One firm we contacted commented that specifying a proprietary product makes it more difficult for competitors. The company with the rights to a specified product has an advantage.

While three firms obtained the bid documents, only one, the sole 3M manufacturer in Hawai'i, submitted a proposal. On December 19, 2001, six days after the advertisement, 3M's Hawai'i representative informed the city that the local supplier was the sole authorized manufacturer and installer in the State of Hawai'i. The city awarded the contract to manufacture and install rainbow design appliqué on 28 buses to the local supplier for \$106,124.

The city's next procurement of vinyl appliqué occurred six months later, in July 2002, when the Department of Transportation Services requested and received approval to award a sole source contract to the same supplier. We found that the city did not post a public Notice of Sole Source as required by the state procurement rules for this purchase. The sole source purchase order for \$158,432 was to manufacture and install rainbow appliqué on three new fleets of city buses: five 30-foot Chance buses, 15 40-foot Gillig buses, and 16 60-foot New Flyer buses upon delivery to Honolulu from October 2002 to July 2003.

The city has also procured rainbow design appliqué for new fleets of buses indirectly through allowances incorporated into city contracts with manufacturers of new fleets of buses. City transit buses are procured through appropriations for bus acquisition; as such, these funds cannot be used to purchase appliqué directly from the supplier. In order to include the rainbow design on new fleets of buses, transportation services incorporated fixed price allowances for the appliqué work into

two recent city contracts with bus manufacturers. This approach ensured that the design work went to the same supplier.

The transportation services department used restrictive specifications in the city's proposal for the fleet of 55 low floor buses. The proposal's technical specifications, dated July 3, 2002, required the use of 3M *Scotchprint* vinyl appliqué. It also required the contractor to work with the city's graphic designer for production artwork, technical application, and placement onto the buses. The specifications informed contractors that the city preferred that a specific Honolulu supplier install the appliqué. Moreover, the city added an expensive requirement. If a manufacturer chose to install the appliqué before the buses were shipped to Honolulu, it would have to pay the travel expenses of the city's graphic designer to inspect the work prior to shipping.

For this purchase, the city agreed to pay the supplier \$5,000 to manufacture and install appliqué, on each bus, for a total of \$275,000 for this fleet of 55 buses. The \$5,000 allowance for the appliqué was determined through negotiations with the city and the supplier, and *not* through competitive bidding. Subsequent to the contract award, the manufacturer used the city's preferred supplier for appliqué work on the 55-bus fleet.

When we contacted the manufacturers of Honolulu's bus fleets, we were informed that it is not uncommon for transit agencies to include vinyl appliqué into their specifications and either subcontract with a supplier or use a supplier specified by the transit agency. One manufacturer prepared a competitive estimate for appliqué work, and commented that they used the city's supplier, partly because of the added requirements and additional cost of paying the travel expenses to bring the city's designer to their plant. The manufacturer of another fleet of buses commented that they did not seek quotes from other suppliers because it would have been complicated since they do not know of any other *decent* suppliers in Hawai'i.

While the city's practice of informing manufacturers of a particular supplier for vinyl appliqué is not improper, it is anti-competitive and possibly more costly since it does not afford the opportunity for other suppliers to compete for this work in an open and fair process. Competitive bidding would provide the city with current market pricing and determine if other appliqué products in the market place are of equal or better quality than the product currently used.

Last minute paint change on the city's hybrid-electric bus contract was costly

The prominent rainbow design was originally planned for the city's newest fleet, *The Transit*, hybrid-electric buses. Sometime during the summer of 2004, the city's managing director requested the manufacturer and appliqué supplier to completely change the appliqué and paint scheme for the hybrid bus fleet. By that time, the city's buses were on the assembly line and three had already been painted as specified for the rainbow appliqué.

Exhibit 2.2

Photos Comparing the Rainbow Design Bus and the Revised *TheTransit* Design Bus that Costs \$22,000 Per Bus for the Gray Paint



Finding the funds and approval for repainting the buses for the new design was a concern for transportation services, since the cost of the change was anticipated to be somewhere between \$5,000 and \$14,000 per bus. The city's purchasing division informed them that repainting would have to be formally advertised for bids since the total cost for the

fleet of ten buses exceeded \$25,000. Since the department was in a rush to get the buses delivered to Hawai‘i, it made an inquiry on the possibility of using emergency procurement to pay for the change, but was informed by the purchasing division that re-painting is not an emergency. Ultimately, transportation services executed a contract amendment to re-paint the buses with the new two-tone gray *The Transit* design. The city agreed to pay the manufacturer \$21,771 to paint each bus gray, for a total cost of \$217,710. The hybrid-electric bus contract allows the city to exercise the option to purchase additional quantities of buses on or before June 23, 2005. However, transportation services has cancelled plans to purchase any additional hybrid-electric buses. Exhibit 2.3 shows a photo of the revised two-tone gray paint design on a *The Transit* hybrid-electric bus.

The new *The Transit* design also changed the vinyl appliqué and color of *The Transit* panels. The city’s supplier agreed to do the redesign, manufacturing, and installation work, valued at \$2,600 per bus, at no additional cost to the city.

The city’s late design change displayed poor planning and resulted in unnecessary costs to the city.

Non-Competitive procurement of *Brunch on the Beach* services improper

The city’s *Brunch on the Beach* events began in July 2001. To help coordinate activities related to this program, city administration contracted with the Waikiki Improvement Association, a non-profit civic association, to partner with the city as a co-sponsor for this initiative. As co-sponsor, the association would coordinate monthly *Brunch on the Beach* events, be responsible for all fiscal services for the events, and provide the following services:

1. Assume responsibility for the fiscal management relating to the events.
2. Coordinate all entertainment services for the events.
3. Coordinate all advertising and promotion for the events.
4. Coordinate all vendor services for the events.
5. Work with Waikiki hotels and restaurants to secure food services for the events.

6. Provide on-going evaluation of the events and make recommendations to the Office of the Managing Director and the Office of the Mayor.

The association's fiscal management duties entailed collecting booth fees from restaurants, managing scrip sales, reimbursing restaurants for their scrip, and collecting money from association members to sponsor particular events.

This procurement, identified as sole source, was actually an exempt procurement; it, too, is another example of an anti-competitive procurement favoring a particular provider.

In June 2002, the city's Office of Waikiki Development submitted a Request for Exemption from Chapter 103D, HRS, to provide \$50,000 to the Waikiki Improvement Association for *Brunch on the Beach* events. To justify a request for exemption, the state procurement rules require an explanation why procurement by competitive means is either not practicable or not advantageous. The city wrote:

“...Seeking out the lowest bidder to coordinate the events through competitive bidding was not practicable for the situation of conducting brunch on the beach events in Waikiki. Since the City desires to enhance and supplement the existing programs and services under the original agreement with WIA (*Waikiki Improvement Association*), it is not practicable or not advantageous to obtain the services and goods from others.”

The exemption request also requires an explanation of the details of the process or procedures to be followed in selecting the vendor to ensure maximum fair and open competition as practicable; and a description of the agency's internal controls and approval requirements for the exempted procurement. The Office of Waikiki Development wrote, *Not applicable* for both.

We asked the State Procurement Administrator to comment on the sufficiency of such a justification for exempt procurement. The administrator stated that it is insufficient to simply state that it is not practicable or advantageous to obtain the goods and services from others; on the contrary, a further explanation why competitive means are not practicable or advantageous is needed.

Given the nature of the tasks for *Brunch on the Beach*, the city could have used a request for proposals to obtain such services.

The approval for exemption from Chapter 103D, HRS, for *Brunch on the Beach* events was improper and another example of the city's failure to follow competitive procurement practices as required by state law and city procurement policy. Similar to the sole source examples noted previously, approval was granted despite insufficient justification.

Greater access to sole source information is warranted

Currently, the city does not post information on its sole source procurement notices or awards on its website. While the state procurement code requires only the public posting of notices of sole source, the pervasive level of irregularities identified among the randomly selected sole source procurements indicate the need for greater scrutiny. Although there is no requirement for electronic posting of either notices or awards of sole source, emergency and exempt purchases, this practice warrants consideration.

State Procurement Office electronically posts sole source, emergency, and exempt awards

According to the State Procurement Administrator, public disclosure and using technology to post lists of procurements on the State Procurement website puts government transparency into action. Over the past three years, the state office has been adding more information on state procurement activities to its website. Currently, the state website lists sole source notices and awards, exempt awards, and links to agency justification forms. The agency justification forms along with the chief procurement officer's narrative determination, especially denials, provides useful information for the agency and other interested parties. Future plans for the state's website include posting lists of emergency procurements, and contract extensions. Eventually, the administrator would like to post procurement violations.

Public notices on the city's intent to award sole source contracts are only posted at City Hall.

Currently, the city complies with the statutory public notice requirement by pinning notices of the city's intent to issue sole source awards on the purchasing division's bulletin board on the first floor of Honolulu Hale. Two vendors we contacted expressed interest in submitting proposals for city contracts. They did not know that the city posts a public notice of sole source at City Hall. If these notices were posted on the city's

website it would be more convenient, than traveling to City Hall. While posting paper notices complies with the letter of the law, it falls short of the spirit of the law. Electronic posting on the city or state website would provide access to many potential bidders, council, and taxpayers. Posting the city's sole source notices, justification forms and awards, and likewise for the city's emergency and exempt procurements, will assist in oversight and accountability of the city's procurement practices.

Emergency Procurement of a Computer Professional Failed to Meet Statutory Requirements

The sample emergency procurements we reviewed generally met the statutory conditions and demonstrate requesting agencies' efforts to obtain competitive quotes. However, the city's emergency procurement of a computer professional failed to meet the requirement of a threat to health, safety, welfare or life. Furthermore, consideration should be given to the limitations of emergency procurement through purchase orders versus a formal contract. Finally, our review revealed errors and missing information that had not been corrected in the city's official files.

Most emergency procurements appear valid

The city's emergency procurements selected through random sampling generally met the statutory standards. Section 103D-307, HRS, of the state procurement code, allows emergency procurement when the *following conditions* exist:

1. A situation of unusual or compelling urgency creates a threat to life, public health, welfare or safety by a major natural disaster, epidemic, riot, fire or such other reason determined by the head of the purchasing agency;
2. The emergency condition generates an immediate and serious need for goods, services or construction that cannot be met through normal procurement methods and the government would be seriously injured if the purchasing agency is not permitted to employ the means it proposes to use to obtain goods, services or construction; and
3. Without the needed goods, services or construction, the continued functioning of government, the preservation or protection of irreplaceable property, or the health and safety of any person will be seriously threatened.

The procurement code encourages agencies to seek competition as practicable under the circumstances. Section 103D-307(b), HRS, states

the emergency procurement shall be made with such competition as is practicable under the circumstances. We found that requesting agencies contacted three or more vendors or contractors in nearly half, 12 out of 26, of the emergency procurements in our sample.

Unique to emergency procurement is a provision that allows agencies to respond immediately to an emergency situation and afterwards, as soon as practicable, submit the required information for approval from the chief procurement officer (CPO).

Statutory conditions for emergency procurements met by most in random sample

The majority of the emergency procurements in our random sample met the statutory conditions required for approval. Such procurements included equipment and services that were related to the September 11, 2001 terrorist attack, emergency repairs for broken sewers or wastewater treatment equipment, and other health and safety hazards.

Four of the sample procurements were related to the September 11, 2001 terrorist attack on America and public safety preparedness in anticipation of possible future attacks. These included posting a security guard at the city's Honouliuli, Kailua, and Sand Island wastewater treatment plants 24-hours a day, 7-days a week. Security services were provided for a 120-day period from October 2001 to February 2002 at a cost of \$122,832. Using emergency procurement, the Honolulu Police Department purchased a robot for \$80,359 for situations involving explosive devices or snipers, and 50 Colt semi-automatic rifles for \$34,750. Also related to the attack, the Honolulu Emergency Services Department purchased 88 powered air system respirators for \$34,583.

Our sample also included the city's emergency repairs to four broken sewer lines. Repairs to the Kaneohe Bay Sewer Line cost \$39,224; the Ala Moana force main at Sand Island Recreation Area repairs cost \$205,000; repairs to a 72-inch effluent piping at Sand Island wastewater Treatment Plant cost \$86,400, and the Laenaani force main repair cost \$290,000.

In December 2003, one of the catalytic scrubber fans at Sand Island Wastewater Treatment Plant suffered a catastrophic failure. Catalytic scrubber fans remove poisonous hydrogen sulfide gas and prevent it from being released to the air. Equipment breakdowns not only pose health hazards, but also place the city at considerable financial risk. When important equipment, such as catalytic fans break down, the city is

subject to EPA Clean Air fines up to \$10,000 per day. The cost of the replacement catalytic fan was \$34,468.

Two emergency procurements in our sample involved the removal and disposal of commercial gas cylinders and household propane tanks that had accumulated at the city's refuse and convenience centers, including some that were illegally stockpiled at the old Waipahu Incinerator. In April 2002, the National Fire and Safety Standards required overflow prevention devices on all new propane tanks sized 4 lbs. to 40 lbs. After the law change, liability concerns prompted local propane companies to refuse to fill the old-style tanks and thus began the influx of hundreds and ultimately thousands of household propane tanks at city refuse centers and other locations across O'ahu. By the time the emergency work was completed in September 2003, 10,486 household propane tanks had been disposed. At the same time, the department prepared to advertise for bids and award a contract to remove propane tanks. The city awarded the contract for propane tank removal on October 1, 2003.

In contrast to the emergency situations described above, the city's emergency approval for one procurement failed to meet the statutory requirements.

***Hiring replacement
computer systems
professional
inappropriate for
emergency procurement***

One emergency procurement in our sample was approved by the city even though it failed to meet the statutory conditions of a threat to life, health, welfare or safety. In 2000, the city began the implementation of a new computer-assisted mass appraisal system and a new integrated revenue information system. The city contracted a computer systems project coordinator to represent the city's interests during the system installation. However, growing dissatisfaction with, and the eventual termination of the contract with the first project coordinator, led to a request for the emergency procurement of another computer professional to oversee the rest of the implementation of the city's new property tax and revenue computer system. According to the treasury administrator, they had about two months notice that the first project coordinator was going to leave.

The city sought this emergency approval so that a replacement computer system coordinator could be hired immediately. The Treasury Division administrator prepared the request for emergency procurement approval to contract the services of a second computer system professional to assume project management responsibilities. However, the nature of the

situation and the city's justification failed to meet the statutory conditions for emergency procurement approval. The city's justification stated:

"... The absence of a project coordinator for this multi-million dollar system would seriously threaten the continued function of the real property tax program, the City's single, largest source of revenue. If the system is not properly installed, revenues could be lost as a result of improper computations. Lost revenues ultimately result in the reduction of necessary City services. ..."

The city hired the second project coordinator, based on the recommendation of the Department of Information Technology's deputy director, through the approved emergency procurement. While the city's need to replace the computer system project coordinator during implementation can be considered a management emergency, it is not an emergency threat to life, health, welfare, or safety pursuant to the state procurement code. Knowing that there were difficulties with the first project manager well in advance of his firing, the city had time to properly procure a replacement through professional services procurement.

***Use of purchase orders
lack contractual
safeguards***

The city's general practice is to use purchase orders for simple and emergency procurements, and contracts for complex procurements in excess of \$25,000. According to the purchasing division, in emergency situations, there is not enough time to prepare and advertise for competitive bids, and obtain corporation counsel approval, and meet other requirements. Purchase orders are approved solely by the purchasing administrator and therefore the use of purchase orders is most expeditious. While purchase orders have many advantages, they lack written safeguards incorporated in contracts.

Contracts on the other hand, require project specifications, general terms and conditions, and liquidated damages, which safeguard the city's interests in the successful completion of a project. In contrast, purchase orders have no such requirements. The purchasing division explained that the city's recourse for satisfactory project completion in situations of non-performance is limited to options such as not accepting the contractor's work, withholding final payment, temporary suspension of future city awards, and suing the contractor.

Ultimately, the procurement of goods, services or construction through purchase orders affords less protection than contracts. In situations of

poor performance, the city could not invoke liquidated damages or other alternatives to enforce satisfactory completion of the work. Based on the limited safeguards with purchase orders, consideration should be given to the benefits of a formal contract to protect the city's interests.

Emergency road repaving procured through purchase orders

In December 2003 and January 2004, heavy rains damaged roads especially in the heavily traveled streets in downtown Honolulu. This prompted the city to initiate emergency road repaving services to mitigate these hazardous conditions. On January 13, 2004, the Department of Design and Construction (DDC) submitted a request to repave some roads on an emergency basis. The department contacted three vendors, but only two agreed to handle these repairs. The city budgeted \$1 million for each of the two contractors. For the sample procurement, the city issued a purchase order of \$500,000 to initiate the repairs. Both contractors reported that the city did not require them to guarantee their repaving work. One contractor commented that the city could have written the requirement for a guarantee on the purchase order, but did not. The contractor would have provided a written guarantee for its emergency repaving work had the city requested it.

The Department of Budget and Fiscal Services' procurement files lacked any information identifying the actual locations of the roads to be repaved. A contractor also involved in the emergency repaving project noted that the scope of work for the emergency repairs was not well defined and was a *moving target*.

In March 2004, DDC submitted a second purchase order for the remaining \$500,000 budgeted for the emergency repaving work using a copy of the original emergency procurement request to justify the purchase. However, DDC did not provide any additional information on the road locations that would be repaved on the emergency request form even though repair work was underway. Setting aside \$1 million for emergency repaving without specifying the stretches of road to be restored is an open-ended approach that is not a prudent way to control the expenditure of city funds for this work. The contractor for the sample procurement completed repaving approximately 2.7 miles on May 7, 2004, at a total cost of \$653,721.

Missing and inaccurate information in the official emergency procurement files needs attention

Our review of the Department of Budget and Fiscal Services' procurement files revealed missing and inaccurate information that had not been corrected. One of the sample procurements was not an emergency procurement. We also found several instances where errors and missing information had not been corrected including an approved emergency procurement marked *denied*, missing dates for agency requests, and missing dates denoting CPO approvals. Copies of two emergency request forms missing from the purchasing division's files were found in DDC's procurement files. Since the department maintains the city's official procurement files, care should be taken to ensure that the records are accurate and properly maintained.

Procurement of Professional Services Requires More Attention to Documentation and Compliance with Statutes

Our review of the city's professional services procurement practices found efforts to comply with statutory requirements. Some evaluations of firms under consideration for city contracts, however, raise concern due to their subjective nature. In addition, the city's chief procurement officer (CPO) has not enforced corporation counsel's compliance with reporting requirements for the professional services contracts it awards and thus corporation counsel is in violation of statutory requirements.

Procurement files reflect efforts to comply but attention to documentation needed

The departments of budget and fiscal services and design and construction have established procedures and tools to comply with statutory requirements. The Department of Design and Construction took the initiative to prepare detailed procedures for the procurement of professional services which were submitted to the city's CPO for approval. While detailed procedures were developed, certain narratives prepared by screening or selection committees were subjective and in our opinion, insufficient in determining contract awards. More attention is needed to ensure proper documentation is included in the city's official procurement files.

Checklists and procedures established

Evidenced in the sample procurement files we reviewed were checklists and procedures established by the departments of budget and fiscal services and design and construction used routinely by city project managers. These are useful tools to help guide the agencies in their efforts to procure professional services and comply with procurement rules and policies.

The majority of the city's professional services procurements are within the Department of Design and Construction, and for our audit, comprised 19 out of 28 professional services procurements in our sample. While the department established updated procedural guidance for the consultant selection process to ensure compliance with changes to the state procurement code, such as Act 52, SLH 2003, neither design and construction, nor budget and fiscal services provided documentation of the CPO's approval. Nevertheless, the department's initiative to prepare such guidance, even in anticipation of the adoption of updated procurement rules, is beneficial to the city since it helps project managers to comply with statutory requirements.

The state procurement code requires agencies to maintain certain documentation for professional services procurements. Section 103D-304(g), HRS, requires:

"The selection committee shall rank a minimum of three persons based on the selection criteria and send the ranking to the head of the purchasing agency. The contract file shall contain a copy of the summary of qualifications for the ranking of each of the persons provided to the head of the purchasing agency for contract negotiations."

However, in our sample of 28 professional services procurements, two of design and construction's, two of transportation services, and all three of corporation counsel's procurement files did not have any narrative prepared for the agencies' evaluation of the qualified firms. The city's CPO and city agencies need to ensure that the departments include such information in their procurement files, as required by statute.

Certain documentation reflects subjectivity in the evaluation process

The process for procuring professionals is based on the evaluations and judgment of the requesting agency's screening or selection committee subsequent to the enactment of Act 52, SLH 2003. We found examples of useful information upon which to award a contract. However, we also found examples of narrative evaluations of consultants that were trivial and of little use for awarding a contract. For example, the narrative evaluation for several procurements used a list of *pros* and *cons*, which in two cases listed all pros, but no cons. Other narratives had identical or abbreviated remarks such as, "good experience," or "responsive." Such responses call into question the basis for awarding those professional services contracts.

The Chief Procurement Officer failed to enforce Corporation Counsel's compliance with statutory reporting requirements

Efforts to improve and clarify government procurement activities have included statutory requirements to disclose and disseminate more information on procurements awarded by state and local government. The requirement to post professional services contract awards electronically began in May 2000. With the exception of corporation counsel, the city complied by posting the professional services contract awards on the State Procurement Office website. Since May 2000, the CPO has failed to enforce corporation counsel's compliance with the statutory reporting requirement. As a result, city council and taxpayers were denied access to information on the professional services contracts awarded by corporation counsel for the past three and one-half years.

Electronic posting of professional services awards required by Act 141, SLH 2000.

In 2000, the legislature adopted Act 141, SLH 2000 amending the state procurement code to require the electronic posting of professional services awards. Effective May 30, 2000, the statute required professional services contracts to be posted within seven days of the date of award by the CPO and remain posted for at least one year. In 2003, Act 52, SLH 2003, revised the dollar threshold for posting contracts awarded to \$5,000 or more. Pursuant to Section 103D-304(i), HRS, information to be posted includes, but is not limited to:

1. The names of the persons submitted under subsection (g) (*selection committee*);
2. The name of the person or organization receiving the award;
3. The dollar amount of the contract;
4. The name of the purchasing agency head or designee making the selection; and
5. Any relationship of the principals to the official making the award.

Chief Procurement Officer and Managing Director notified all city departments and agencies of the requirement.

In response to the new requirement for professional services awards, the city's CPO and managing director issued instructions and a copy of Act 141, SLH 2000, on July 12, 2000, to all city departments and agencies. The memorandum noted,

“The Act mandates several changes in the process of awards for professional services issued under Section 103D-304, HRS.”

It further stated:

“For contracts processed by the Purchasing Division, the required information will be posted by the Construction and Consultant Contracts Section to an Internet Web site [sic] provided by the State of Hawai‘i. City agencies must provide the information required for posting when submitting contract documents to the Purchasing Division.”

Our review of the professional services awards on the State Procurement Office website revealed that the purchasing division had posted each of the applicable professional services awards in our sample, with the exception of one by corporation counsel. The city's purchasing administrator indicated that they had discussed the posting requirement of the law and requested information on its professional services awards with corporation counsel on numerous occasions. Corporation counsel acknowledged that it never posted the professional services contracts it awarded on any website, but also stated that he had assumed that the purchasing division had been posting the awards for all city agencies. However, the purchasing division maintains that the requested information was never provided. In addition, the division noted that they never received copies of corporation counsel's selection memorandums documenting the contract awards, and neither the long list, nor the short list of law firms that responded to their annual advertisement, nor the qualified list of firms considered for specific procurements.

Discrepancies in corporation counsel's professional services contracts indicate the need for detailed review

Corporation counsel provided copies of their annual advertisements, lists of the law firms that responded to their annual advertisement in the Hawai‘i Bar Journal, selection memoranda and council resolutions for the three contract awards in our sample. Missing, however were any narrative evaluations prepared by the department's screening or selection committee of the firms based on the selection criteria. Such information provides necessary information used to determine the basis for the contract award. The department did not respond to our request for the missing information during our fieldwork. Therefore, based upon the information provided, corporation counsel has not complied with the procedural or documentation requirements for the professional services contracts selected in our sample. Due to the department's non-

compliance with statutory electronic posting requirements, severity of these procurement violations, as well as other missing documentation, a detailed review of corporation counsel's procurement practices is warranted.

Ad Hoc Restrictions Impaired Auditor's Access to Information

Throughout fieldwork, we encountered difficulties in gaining access to city employees and documents related to the sample procurements selected for review. According to government auditing standards for performance audits:

Auditors should also report significant constraints imposed on the audit approach by limitations or scope impairments, including demands of access to certain records or individuals.

Auditor's access to information and staff blocked by departments

Throughout fieldwork, we requested access to *any and all* documents related to the sample procurements selected for review. However, administrators with the Department of Budget and Fiscal Services and with the Department of Design and Construction informed us that certain documents, deemed *official* documents would be made available, while those deemed, *working* documents would not.

Restrictions violate charter provisions

The city charter empowers the city auditor to have broad access to city employees and city records during the conduct of audits. Section 3-502(3), RCH, *Powers, Duties, and Functions*, states:

“For the purposes of carrying out any audit, the auditor shall have full, free, and unrestricted access to any city officer, employee and shall be authorized to examine and inspect any record of any agency or operation of the city, ...”.

During fieldwork, city departments clearly violated this city charter provision by restricting our access to city employees and records. On numerous occasions, city employees stated they were instructed not to speak with the auditor. Our access to staff directly involved with the procurements was further hindered by city administration's instructions to departments that interviews with staff required the presence of the employee's supervisor. Purportedly, the presence of the supervisor was not to monitor staff, but to ensure that *correct* and *complete* answers

would be provided. We believe that having a supervisor attend an interview with a subordinate would likely censor any response to our questions.

Departments also limited our access to procurement files and documents by selecting the documents that would be provided for review. This became evident when we received a copy of an email issued by the acting deputy director of design and construction to department employees dated October 5, 2004, stating,

“Please be advised that you and your staff **shall not comply with any requests for any files by the Office of the City Auditor** until further notice. Such requests shall be referred to the director’s office.”

We cannot determine the impact of city administration’s restrictions on information that was not provided by city employees, or upon the documents withheld from our review. To compensate for these limitations we contacted other sources and reviewed other documents for clarifying information to satisfy our audit work. However, the administration’s attempts to limit our access to staff and information not only violates the city charter but raises a cloud of suspicion over the city’s desire to *conceal* information from the council and the public.

Conclusion

The Department of Budget and Fiscal Services has made some noteworthy improvements to the city’s procurement activities. The Purchasing website provides access to some useful information on the city’s procurement process, as well as notification of proposals and bids. However, the city’s lax oversight and enforcement has allowed departments to bypass competitive procurement methods, resulting in higher costs for goods and services, and reducing available funds for other important city programs and activities.

Certain sole source contracts violated the state procurement code and city policies. Based on our testing, there are indications of a pervasive level of inappropriate sole source approvals. Anti-competitive practices such as restrictive brand name specifications or costly requirements favored certain contractors instead of following prudent public procurement methods to ensure that the city obtained the best prices for these purchases. The city’s improper sole source purchase of 990 expensive litter receptacles using nearly \$700,000 in capital improvement

funds not only violated the city's debt and financial policy, but also leaves the city with debt service payments on this excessive purchase of trash receptacles. The city's mid-production design change to paint the city's *TheTransit* buses gray, which cost taxpayers an additional \$21,771 per bus for the fleet of ten buses, at a total cost of \$217,710, was unnecessary and costly for taxpayers.

The city's emergency procurement of a computer system professional failed to meet the requirement of a threat to health, safety, welfare or life. Consideration should be given to the city's interests when procuring goods, services, or construction using purchase orders versus contracts that have better safeguards. More attention is needed to ensure that errors and omissions in the city's official procurement files are corrected in a timely manner.

Departmental initiatives to establish checklists and procedures that assist city project managers reflect efforts to comply with statutory requirements for the procurement of professional services. However, the trivial nature of certain justifications prepared by selection committees raises concern due to the seemingly subjective nature in determining contract awards. Furthermore, the city's chief procurement officer has been unsuccessful in enforcing corporation counsel's compliance with statutory reporting requirements for its professional services contract awards. Other discrepancies noted in our review of professional services contracts awarded by corporation counsel warrant detailed review.

Finally, the city charter authorizes the city auditor to have full, free and unrestricted access to any city employee and authorization to examine any city record for carrying out audits of city programs and operations. Efforts by the executive branch to withhold and hinder access to information and staff are contrary to council's and taxpayers need for greater transparency in city government and its operations. Further, the actions of the administration raise a *cloud of suspicion* as to whether the city is *hiding* information that it is unwilling to disclose to the public.

Recommendations

1. The city's chief procurement officer should:
 - a. Require the city to procure goods and services through competitive means that meet the agency's need and saves taxpayers' money. Improper anti-competitive practices such as

unnecessary use of brand names, desire to continue working with the same vendor, or claims that no other vendors exist, must cease. Restrictive brand name specifications should be used when **only one** product will meet the specified need. Requests for sole source and exempt procurement lacking proper written justification should be rejected. Aesthetic preferences should not be the driving factor behind sole source procurement.

Procurement specifications must be prepared with the best interests of the city. Identifying performance requirements such as durability, as well as identifying the entire quantity to be purchased will encourage competition and better prices for the city.

- b. Ensure that sole source procurement approvals comply with the state procurement code and city policy, and seek advice and clarifications from the State Procurement Office regarding appropriate justifications for sole source procurements. Moreover, require compliance with the city's debt and financial policies when purchasing equipment with CIP funds thereby restricting improper uses and unnecessary additions to debt service;
- c. Initiate the practice of electronically posting the city's sole source, emergency, and exempt notices, agency justification forms, and awards, even though it is not required by law;
- d. Ensure that approvals granted for emergency procurement meet the statutory requirements of a threat to health, safety, welfare or life. Also, more attention is needed to ensure that errors and missing information in the city's official emergency procurement files are corrected in a timely manner;
- e. Take into consideration the limited protections provided when purchase orders are used versus the safeguards in formal contracts to ensure that the city's interests are protected. When purchase orders are used, the city should seek guarantees for the work when procuring goods, services, or construction for emergency procurements; and
- f. Ensure that the Department of the Corporation Counsel complies fully with the electronic posting procedural and documentation requirements for awarding professional services contracts. In

addition, it should also provide the required documents to the purchasing division for the city's official procurement files.

2. The city's managing director should inform and require city agencies to comply with the city charter requirement that authorizes the city auditor's full, free, and unrestricted access to city employees and agency records during an audit.

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Appendix A
List of City's Sole Source Procurements \$25,000 or More
FY2001-02 to FY2003-04

DEPT	DESCRIPTION OF SOLE SOURCE PROCUREMENT	CONTRACTOR/CONSULTANT	DATE OF CONTRACT OR PURCHASE REQUISITION	CONTRACT OR PURCHASE REQUISITION NUMBER	AMOUNT OF CONTRACT AWARD OR AMENDMENT
BFS	IAS Maintenance Agreement	Cole Layer Trumble Company	6-3-02	C-92012	\$25,500
CSD	Duplo Tower and Stacker	Hawaii Business Equipment	3-31-03	21610	\$25,932
CSD	Cash Registers	Rainbow Business Systems / Cash Register Pacific (RBS/CRP) Inc.	2-22-02	21613	\$41,947
CSD	Point of Sale Cash Register System	RBS/CRP Inc.	12-18-01	23407	\$41,947
CSD	Maintain Point-Of-Sale Cash Registers	RBS/CRP Inc.	6-23-04	21616	\$39,972
DCS	Partnering In Oahu Worklinks Consortium, FY2001-02	Honolulu Community Action Program	10-1-01	C-87252	\$224,072
DCS	Partnering In Oahu Worklinks Consortium, FY2002-03	Honolulu Community Action Program	11-13-02	C-94973	\$165,233
DCS	Partnering In Oahu Worklinks Consortium, FY2003-04	Honolulu Community Action Program	10-16-03	C-26194	\$154,441
DCS	Implementation of In-School Offender Program	Adult Friends For Youth	4-16-04	F-29154	\$48,000
DDC	Parts for Vending Machine	USA Technology	12-19-03	05003	\$27,884
DDC	Nortel Electronic Equipment Shelf for Telephone Switches.	Verizon Hawaii, Inc.	9-14-01	05017	\$25,254
DDC	Nortel Software and Hardware to Update the Telephone Switches.	Verizon Hawaii, Inc.	9-14-01	05018	\$50,556
DDC	Maintenance of Nortel Telephone Switches	Verizon Hawaii, Inc.	11-29-02	05021	\$233,790
DDC	Litter Receptacles	Victor Stanley, Inc.	12-5-02	05022	\$59,349
DDC	Parts for Radio System	Dailey Wells Communication	11-17-03	05023	\$127,054
DDC	Parts for Radio System	Harris Corporation	12-15-03	05024	\$39,771
DDC	Construct, Relocate Telephone Lines	Verizon Hawaii, Inc.	12-30-02	05025	\$289,635
DDC	Dispatch Console	Dailey Wells Communication	11-17-03	05025	\$80,182
DDC	Upgrade Telephone System at Honolulu Municipal Building with New Digital Telephone Equipment	Verizon Hawaii, Inc.	12-16-02	05026	\$280,788
DDC	Internet Cable	Oceanic Cablevision	12-19-03	05035	\$34,462
DDC	Internet Cable	Oceanic Cablevision	12-19-03	05036	\$50,344
DDC	Internet Cable	Oceanic Cablevision	12-19-03	05037	\$42,249
DDC	Internet Cable	Oceanic Cablevision	12-19-03	05038	\$47,136
DDC	Planter Baskets	Foo W. Lim and Sons	12-24-03	05046	\$58,750
DDC	Lifeguard Towers	Industrial Design Research	12-20-02	05049	\$200,980
DDC	Lifeguard Towers	Industrial Design Research	5-16-02	05110	\$82,500
DDC	Installation of Telephone Cards and Cable at Halawa Corporation Yard	Verizon Hawaii, Inc.	4-28-04	05114	\$29,567

Appendix A

DEPT	DESCRIPTION OF SOLE SOURCE PROCUREMENT	CONTRACTOR/CONSULTANT	DATE OF CONTRACT OR PURCHASE REQUISITION	CONTRACT OR PURCHASE REQUISITION NUMBER	AMOUNT OF CONTRACT AWARD OR AMENDMENT
DDC	Maintenance Services for Nortel Meridian Telephone Switches	Verizon Hawaii, Inc.	12-30-02	C-95623	\$701,389
DDC	Radio Coverage Assessment for the City's Trunked Radio System	M/A-COM Private Radio Systems, Inc.	1-28-03	F-96193	\$251,558
DDC	Technical Support City's Radio System	M/A-COM Private Radio Systems Inc.	1-29-03	F-96593	\$142,500
DES	Upgrade Daktronic Outdoor Message Sign with LED Technology and Indoor Scoreboard.	Daktronics, Inc.	9-4-02	01010	\$50,000
DES	Repair or Replace Honeywell Temperature Control System at the Neal Blaisdell Concert Hall	Honeywell, Inc.	8-15-01	05010	\$47,597
DFM	Evaluate Curbside Recycling Pilot Program	R.W. Beck	9-1-03	55113	\$49,000
DFM	Benches	Janus et Cie	4-1-02	57211	\$55,370
DFM	Litter Receptacles	Victor Stanley, Inc.	4-23-02	57212	\$593,492
DFM	Sign Lettering Equipment	One Shot Supplies, Inc.	5-28-02	57224	\$51,000
DHR	Annual Medical Bill Auditing and Payment Services for the Workers' Compensation Program	ADP Integrated Medical Solutions, Inc.	5-1-03	C-98083	\$384,000
DIT	Preventative Maintenance, Engineering and Technical Support Services to City's M/A-COM Radio System	Dailey-Wells Communications, Inc	6-24-04	06001	\$710,750
DIT	Maintenance Services for Automated Tape Retrieval System	August Enterprises, Inc.	8-4-03	06005	\$151,708
DIT	Content Delivery Network for Streamlining Media Feeds from the City's Websites	Pixelworld Networks	8-16-01	06012	\$34,200
DIT	Software - Integrate City Human Resource Management System (CHRS)	Integral	11-27-02	06015	\$37,501
DIT	Maintenance of Software	IBM Corporation	7-1-01	06016	\$78,731
DIT	INET Connection	Oceanic Cablevision	11-12-01	06018	\$25,240
DIT	Maintenance of IBM Hardware	IBM Corporation	10-11-01	06021	\$163,631
DIT	Services to Support Corporation Counsel's CASE Tracking Software, "Time Matters"	Lawgistics	12-20-02	06024	\$34,000
DIT	Case Tracking Software for Medical Examiners and Coroners	Quincy Technologies	1-3-03	06026	\$81,000
DIT	Maintenance - Software	ESRI Inc.	6-4-04	06029	\$65,537
DIT	Software License, Installation, Training & Maintenance for Case Management, Research & Documentation Software	West Publishing Corporation dba ProLaw Software	6-3-03	06035	\$80,000
DIT	Maintenance - Antivirus Software	Symantec Corporation	6-25-03	06036	\$44,823
DIT	Install Fiber Optic Cable	Oceanic Cablevision	12-28-01	06037	\$133,883
DIT	Software - Oracle Database	Commercial Data Systems	5-23-03	06037	\$56,170
DIT	Install Fiber Optic Cable	Oceanic Cablevision	5-21-02	06049	\$28,182
DIT	IAS Business Process Application Support	Cole Layer Trumble Company	5-25-04	C-29014	\$49,800

DEPT	DESCRIPTION OF SOLE SOURCE PROCUREMENT	CONTRACTOR/CONSULTANT	DATE OF CONTRACT OR PURCHASE REQUISITION	CONTRACT OR PURCHASE REQUISITION NUMBER	AMOUNT OF CONTRACT AWARD OR AMENDMENT
DIT	Consulting Services to Assist in Upgrade of CHRMS System	Tectronix LLC	2-2-04	C-29094	\$80,000
DIT	Internet GIS Web Site	GIS Planning Inc.	11-28-01	C-88472	\$45,780
DIT	Upgrade Fleetfocus M4 Software	Maximus Incorporated	6-30-03	C-98953	\$320,000
DIT	Lease Rental of Mainframe Computer Laser Printer, Laser Printer, Network Laser Printer, and Personal Computer System to Control Mainframe Print Images to Network Printer for a 60-Month Period.	Xerox Corporation Note: Exempt, not sole source procurement.	11-9-01	06027; 13884	\$629,930
DPP	Software – 3D Modeling and Visualization Program	USI Hawaii	12-29-03	08005	\$31,162
DPP	Maintenance - POSSE	Computronix	11-2-02	08009	\$33,597
DPP	Maintenance - ESRI	ESRI Inc.	12-29-02	08013	\$67,537
DPP	Data Integration and Programming Modification Services for POSSE system.	Computonix	10-8-02	08006; Proposal 14031	\$130,000
DPP	Software Modification of Existing Software Programs, POSSE	Computronix	10-27-03	F-25974	\$225,000
DPR	Utility Turf Vehicles with Aluminum Frame/Chassis	B. Hayman Co. (Hawaii) Ltd.	7-19-01	32145	\$240,000
DPR	Portable Sanitation Restroom Trailer	VIP Sanitation	8-31-01	32176	\$104,166
DPR	Utility Turf Vehicles with Aluminum Frame/Chassis	Pacific Machinery	2-20-03	32389	\$47,700
DPR	Picnic Tables and Park Benches Constructed from Recycled Plastic Materials	Aloha Plastic Recycling Inc.	6-21-02	32291 thru 32298	\$75,000
DPR	Benches and Tables	Aloha Plastics Recycling Inc.	12-16-02	32400 thru 32404	\$49,526
DTS	E-Team Software	E Team	8-13-02	06001	\$29,939
DTS	Lease of Wheelchair Accessible Passenger Vans	Vanpool Hawaii	11-26-01	65065	\$45,000
DTS	3M Scotch Print Graphics - Rainbow Design Applique for City Transit Buses	Fleet Street Graphics	10-1-02	65076	\$158,432
DTS	Lease of Vans for Shuttle Services to Kalihi Valley and Waimanalo.	VanPool Hawaii	5-9-02	65073, 65074	\$81,607
DTS	60' Low Floor Hybrid-Electric Articulated Buses	New Flyer of America	11-6-03	65133;14265	\$7,079,160
DTS	Healthy Hawaii Initiative Kama'aina Streets Red Sneaker Week	Creative Communities International Pty. Ltd.	4-27-03	C-97813	\$40,000
DTS	Fabricate and Install 3M Scotchprint Graphics - Rainbow Design Applique on 36 New Buses.	Fleet Street Graphics	7-26-02	65076	\$158,432
ENV	Maintenance of Software	Synergen Inc.	9-1-01	53889	\$69,791
ENV	Maintenance - Synergen Software	Synergen Inc.	9-1-02	53923	\$69,791
ENV	Training for Synergen Enterprise Asset Management Software.	Synergen Inc.	2-27-03	14098	\$50,000
ENV	Upgrade of Existing AutoAnalyzer II System	Bran+Luebbe	5-21-03	53967	\$65,000

DEPT	DESCRIPTION OF SOLE SOURCE PROCUREMENT	CONTRACTOR/CONSULTANT	DATE OF CONTRACT OR PURCHASE REQUISITION	CONTRACT OR PURCHASE REQUISITION NUMBER	AMOUNT OF CONTRACT AWARD OR AMENDMENT
ENV	Repair Bird Centrifuge Bowl Assemblies	Baker Process	10-4-01	54495	\$35,000
ENV	Furnish and Install Fiber Cables, City Offices to H-Power	Oceanic Cablevision	10-30-01	56506	\$56,180
ENV	ADS Ultrasonic Sensors for Flow Monitors for Sewer Collection System	ADS Environmental Services	11-7-02	53944, 53945	\$131,124
ENV	Coordinated Commercial Enterprise Study Phase II, Data Gathering and Analysis	Carollo Engineers	11-26-03	C-27924	\$101,000
ENV	Evaluate Selected Wastewater Assets For Possible Sale	Carollo Engineers	4-9-02	C-92412	\$250,000
ENV	Update Long Range Financial Plan and User Fee Study Collection and Disposal Fees	Beck, R. W. Inc.	7-9-02	C-93612	\$75,000
ENV	Reengineering Program	EMA Inc.	2-12-03	C-96613	\$586,424
ENV	Sand Island Wastewater Treatment Plant 301(H) Waver Reapplication	K. P. Lindstrom Inc.	2-14-03	C-97083	\$120,000
ENV	Refurbish Existing Envirotech (Eimco) Gravity Thickener Tank No. 1 at Sand Island Wastewater Treatment	Promark Corporation	6-30-03	C-98793	\$468,009
ENV	Phase I Existing Condition Assessment Wastewater Facilities	Carollo Engineers	7-9-03	C-99123	\$348,280
ESD	Maintenance – Computer Aided Dispatch Software	Triotech Software	10-16-03	19003	\$35,635
ESD	Lifeguard Towers	Industrial Design Research	4-21-03	19009	\$120,000
ESD	Maintenance – Computer Aided Dispatch Software	Triotech Software	6-23-03	19010	\$71,269
HFD	Mine Safety Appliance Component Parts	Guy Miyashiro and Company	5-9-03	14179	\$400,000
HFD	Modify Honolulu Fire Department's Helicopter	Rotor Wing Hawaii Inc.	12-31-01	18195	\$130,000
HFD	Mine Safety Appliance Firehawk Regulators	Guy Miyashiro and Company	4-11-02	18205	\$225,000
HFD	Maintenance of Software	Triotech Software	6-25-02	18223	\$58,763
HFD	Software - CAD System Upgrade	Triotech Software	8-5-02	18225	\$52,792
HFD	Mine Safety Appliance Double-Pull Vulcan Harness for SCBA Cylinders	Guy Miyashiro and Company	12-13-02	18239	\$372,750
HFD	TravellIR HazMat Chemical Identifier	SensIR Technologies	3-25-03	18248	\$87,145
HFD	Mine Safety Appliance Amplification Kits and ClearCommand Systems Kits	Guy Miyashiro and Company	5-9-03	18263	\$306,600
HFD	AmKus Hydraulic Rescue Tools	Guy Miyashiro and Company	5-21-03	18269	\$33,658
HFD	Maintenance – Fire RMS Software	Aether Systems dba Sunpro	6-24-03	18284	\$38,499
HFD	Maintenance – Computer Aided Dispatch Software	Triotech Software	6-24-03	18285	\$85,900
HFD	Maintenance – Dictaphone Recorder	Dictaphone Corp	6-27-03	18292	\$59,176
HFD	Repair Pierce Apparatus	Pierce Manufacturing Company	10-13-03	18302	\$32,404
HFD	Maintenance – Computer Aided Dispatch Software	Triotech Software	6-28-04	18335	\$92,500

DEPT	DESCRIPTION OF SOLE SOURCE PROCUREMENT	CONTRACTOR/CONSULTANT	DATE OF CONTRACT OR PURCHASE REQUISITION	CONTRACT OR PURCHASE REQUISITION NUMBER	AMOUNT OF CONTRACT AWARD OR AMENDMENT
HFD	Software: FireView Fire and Emergency Response Analysis Package	The Omega Group	6-17-04	18336	\$31,380
HFD	Mobile Classroom	Hawaii Modular Space	6-23-04	18340	\$45,000
HFD	Akron Brass Electric Ladderpipe	LN Curtis & Son	5-3-04	19105	\$82,304
HFD	Wellness Assessment Program	Kaiser Permanente / Kaiser on the Job	4-16-04	18331;14399	\$100,000
HPD	BMW Motorcycle Parts	South Seas Cycle Exchange Inc.	5-12-03	14162	\$185,000
HPD	M/A-COM Jaguar Portable Radios	Dailey Wells Communication	8-13-01	18167	\$47,622
HPD	Mine Safety Appliance	Guy Miyashiro and Company	4-11-02	18204	\$247,500
HPD	Maintenance – Hardware and Software	Datamax Applied Technology	7-1-03	35059	\$219,302
HPD	Duncan Parking Meter Parts	Duncan Industries	8-28-01	37692	\$99,986
HPD	Technical Assistance on Systems and Terminal Equipment	M/A-COM	9-12-01	37693	\$29,167
HPD	Computer Interface Development and Testing Services to Link CAD System to M/A-COM Radio Communication System.	M/A-COM	9-6-01	37696	\$49,054
HPD	Maintenance for Gas Chromatographs	Agilent Technologies	9-4-01	37698	\$29,739
HPD	Maintenance of Document Imaging System	Data Image System	11-1-01	37699	\$45,098
HPD	Maintenance of Hardware/Software	Datamax Applied Technology	9-1-01	37704	\$210,461
HPD	Maintenance of Software	Tech Integrated Group	11-5-01	37712	\$34,800
HPD	Jaguar Portable Radios / City Radio Communications Network.	M/A-COM	12-24-01	37720	\$240,346
HPD	Orion Mobile Radios / City Radio Communication Network	M/A-COM	12-24-01	37721	\$84,698
HPD	Intoximeters to Test for Alcohol	Intoximeters	8-22-01	37723	\$43,067
HPD	Motorcycle Helmet Communication Equipment	PVP Communications, Inc.	9-26-01	37730	\$31,905
HPD	Survivalink Defibrillators	Survivalink	11-14-01	37731	\$130,000
HPD	Mine Safety Appliance	Guy Miyashiro and Company	4-1-02	37766	\$133,580
HPD	Counter Surveillance System	Research Electronics	3-29-02	37770	\$42,549
HPD	Repair M/A-COM Bi-directional Amplifiers for the City's Radio System	M/A-COM	2-27-02	37773	\$73,934
HPD	Tactical Body Armor Level IIIA Vest with Ceramic Plates	Law and Order Hawaii	4-8-02	37778	\$99,234
HPD	Firearms Simulation Systems - Courseware, Accessories, Weapons, Airmunition, Extended Warranties, Shipping, Installation and Instruction	Advanced Interactive Systems (AIS Prism)	10-9-02	37787	\$269,933
HPD	Rental of Horse Stall Space, Storage, Training Arena's and Stable Facility for Mounted Unit	New Town & Country Stables	4-22-04	37814	\$25,000
HPD	Tee Shirts	Survivor	3-22-02	37816	\$41,666
HPD	Network IT Support Agreement	Century Computers	5-8-02	37831	\$55,000
HPD	Information technology support for system at the Hawaii High Intensity Drug Trafficking Area Office	Century Computers	6-7-02	37831	\$52,800

DEPT	DESCRIPTION OF SOLE SOURCE PROCUREMENT	CONTRACTOR/CONSULTANT	DATE OF CONTRACT OR PURCHASE REQUISITION	CONTRACT OR PURCHASE REQUISITION NUMBER	AMOUNT OF CONTRACT AWARD OR AMENDMENT
HPD	Analect Equipment Maintenance	Hamilton Sunstrand	5-15-02	37835	\$26,400
HPD	Systems Integration Report, Test Equipment and Pilot Study Equipment	M/A-COM Wireless Systems, Inc.	5-22-02	37838	\$500,000
HPD	Genetic Analysis System	Applied Biosystems	6-21-02	37854	\$66,598
HPD	Modify Command Vehicle	Pierce Manufacturing	5-14-02	37857	\$43,195
HPD	Portable Radios	M/A-COM	8-14-02	37867	\$196,728
HPD	Driving Simulation System - Cabs, Steering System and Screen Displays	Doron Precision Systems, Inc.	9-12-02	37868	\$338,645
HPD	Maintenance – Document Imaging Software	IKON Business Info	6-24-03	37887	\$34,200
HPD	Maintenance - Hardware and Software	Datamax Applied Tech	8-30-02	37897	\$217,170
HPD	Purchase PCR Amplification Kits	Applied Biosystems	8-21-02	37900	\$50,000
HPD	Maintenance for Gas Chromatograph	Agilent	9-27-02	37907	\$34,000
HPD	Maintenance for Microwave System Alarm Reporting System	Harris Co.	12-9-02	37925	\$30,157
HPD	Defibrillators	Survivalink	9-12-02	37928	\$62,500
HPD	Taser Guns and Accessory Items	Taser International	4-1-03	37961	\$44,627
HPD	Maintenance - Alternate Communications Software - Offender-Based Tracking System	Catalyst	2-3-03	37991	\$60,788
HPD		CommSys	2-26-03	37995	\$31,200
HPD	Duncan Parking Meter Parts	Duncan Industries	4-30-03	38020	\$36,054
HPD	Renewal of Network IT Support Agreement	Century Computers, Inc.	5-23-03	38028	\$55,000
HPD	Symbol Technologies Barcoding Equipment for Printrak Records Management System	IPC Enterprises, Inc.	5-23-03	38033	\$33,225
HPD	National Law Enforcement Telecommunications System (NLETS), User Fee for FY2003-04	NLETS	8-19-03	38054	\$36,600
HPD	San Array 1000 System	Century Computers Inc.	7-17-03	38056	\$33,288
HPD	Gas Chromatic and Mass Spectrometers	Agilent Technologies	7-14-03	38062	\$402,279
HPD	Defibrillators	Defibrillators	8-28-03	38068	\$62,629
HPD	Micro-spectrometer UV-vis-NIR Range System	CRAIC Technologies	8-28-03	38069	\$90,100
HPD	Total Containment Vessel Trailer	NABCO, INC.	12-11-03	38082	\$30,950
HPD	Maintenance – Imaging Software	IKON Business Service Inc.	7-1-03	38095	\$39,065
HPD	PCR Amplification Kits	Applied Biosystems	10-8-03	38108	\$75,000
HPD	Maintenance – Mobile Data Software	Aether Systems	10-1-03	38110	\$97,673
HPD	Maintenance for Microwave Alarm Reporting	Harris Corporation	12-22-03	38111	\$25,200
HPD	Maintenance – Communication Voice System	Catalyst Communications Technology	12-29-03	38121	\$58,856
HPD	N-Charge Power System	Valence Technology	12-29-03	38144	\$92,092
HPD	Notebook Computers and Accessories	GTSI	3-23-04	38150	\$499,452

DEPT	DESCRIPTION OF SOLE SOURCE PROCUREMENT	CONTRACTOR/CONSULTANT	DATE OF CONTRACT OR PURCHASE REQUISITION	CONTRACT OR PURCHASE REQUISITION NUMBER	AMOUNT OF CONTRACT AWARD OR AMENDMENT
HPD	Wireless LAN Device	Pacific Wireless Communications	1-29-04	38151	\$247,800
HPD	Tester Respirator Portacount with Accessories	BOC Gases Gaspro	3-1-04	38158	\$88,610
HPD	Special Operations Headsets with Adapters	New Eagle International	6-22-04	38161	\$37,975
HPD	Portable Radio	Dailey Wells Communication	4-20-04	38170	\$28,066
HPD	Upgrade and Expand Current Digital Storm Voice Box Title III Capacity	JSI Telecom	5-19-04	38214	\$120,300
HPD	Maintenance – Hardware and Software	Aether Systems	6-16-04	38217	\$175,647
HPD	PacketCluster Patrol Mobile Software Licenses	Aether Systems	5-17-04	38194 and 38208	\$131,423
HPD	System Integration to HPD's Voice and Data Communications System	Systems Integrator	7-3-03	C-93532	\$500,000
HPD	Software Interface Records Management System	Mike Sato	12-31-02	C-95653	\$90,000
HPD	Psychological Testing of Police Recruits and Dispatchers	Johnson Roberts & Associates Inc.	5-1-03	C-97863	\$215,080
HPD	Wireless LAN Devices on Police Vehicles to Extend Wireless Network Range	Pacific Wireless Communications, LLC	3-5-04	F-28484	\$247,800
HPD	Annual On-Line Auctioning Services (Stolen, Unclaimed, Lost Property)	Property Bureau	4-22-04	Proposal 14452	\$35,000
MDO	Non-Theater Motion Picture Releases for Public Performance Exhibitions	Swank Motion Pictures, Inc.	9-6-02	21507	\$43,200
MDO	30' x 20' Turnkey Movie Screen and Projection System and 8 x 12 Feet Stage Fronting the Movie Screen Setup, Suitable for Display on the Beach in Windy Conditions.	Hawaii Pro Sound and Video Rentals, Inc.	11-2-01	21523	\$140,000
MDO	30' x 20' Turnkey Movie Screen and Projection System and 8' x 12' Stage Fronting the Movie Screen Setup, Suitable for Display on the Beach in Windy Conditions.	Hawaii Pro Sound and Video Rental	10-30-02	21512	\$95,000
MDO	Promote and Coordinate Monthly Brunch on the Beach Events in Waikiki	Waikiki Improvement Association (Note: Exempt not sole source procurement)	7-6-01	21544	\$30,000
OCDA	M/A-COM ProVoice Base Station and 9 M/A-COM Portable Radios	Dailey Wells Communications	6-18-04	19111	\$51,072
PAT	Medical-Legal Services for Victims of Sexual Assault, FY2001-02	Kapiolani Medical Center for Women and Children	4-10-02	C-92532	\$335,000
PAT	Medical-Legal Services for Victims of Sexual Assault, FY2003-04	Kapiolani Medical Center for Women and Children	1-16-04	C-27484	\$400,000

Source: Department of Budget and Fiscal Services, Purchasing Division
See Appendix D for Description of Department Code

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Appendix B
List of City's Emergency Procurements \$25,000 or More
FY2001-02 to FY2003-04

DEPT	DESCRIPTION OF EMERGENCY PROCUREMENT	CONTRACTOR/ CONSULTANT	DATE LOGGED/ AWARDED	PURCHASE REQUISITION OR CONTRACT NUMBER	AMOUNT OF PURCHASE REQUISITION OR CONTRACT
BFS	Project Management Services for Integrated Revenue Information System (IRIS)	Norman Yoshikami	8-22-01	C-86602	\$75,688
CSD	Demolish Dwelling	Alliance Contracting	10-31-02	24168	\$47,437
CSD	Haul Abandoned Vehicles	Abe's Auto Recyclers	7-8-02	C-00433	\$114,800
DDC	Replace Air Conditioning Condenser, Evaporators	TR Enterprises, Inc.	7-12-02	05002	\$28,132
DDC	Repair Sewer Line - Kaneohe Bay	Eckard Brandes Inc.	8-5-02	05003	\$39,224
DDC	Repair Sewer Line - Kuono Place	Eckard Brandes Inc.	9-13-02	05006	\$483,836
DDC	Hanuma Bay Gift Shop Improvements	T. Iida Contracting	10-23-02	05008	\$93,000
DDC	Install Air Conditioning Condenser Unit	Alakai Mechanical	11-29-02	05019	\$33,774
DDC	Repair Wall - Kamamalu Avenue	URS Corporation	10-30-02	05020	\$56,790
DDC	Repair Wall - Kamamalu Avenue	Ron's Construction	12-19-02	05024	\$372,680
DDC	Replace Air Conditioning Unit	Oahu Air Conditioning	12-29-03	05029	\$149,600
DDC	Relocate DFM and ENV Telephone Equipment	Harris Corporation	10-23-01	05032	\$49,991
DDC	Construct Swale - Central Oahu Regional Park	Royal Contracting	12-23-02	05033	\$118,946
DDC	Roof Repairs at Manana, Building 15	Tory's Roofing & Waterproofing	10-24-01	05034	\$37,500
DDC	Replace Air Conditioning at Honolulu Municipal Building	AC Systems	11-1-01	05035	\$41,852
DDC	Install Trailer for Materials Laboratory	Prime Construction	12-27-02	05039	\$119,775
DDC	Repair Sandbag Revetment - Lahilahi	Shoreline Restoration of Hawaii	2-10-03	05052	\$38,542
DDC	Replace Sea Bags	Shoreline Restoration of Hawaii	12-29-03	05058	\$62,084
DDC	Reroof City Hall	Prime Construction	12-28-01	05061	\$59,500
DDC	Replace Oil Water Separator	Prime Construction	12-30-03	05075	\$223,475
DDC	Reroofing	Master Sheet Metal	4-15-04	05109	\$38,984
DDC	Repair Sewer Line - Kaneohe Bay	James W. Glover, Ltd.	8-5-02	05112	\$373,600
DDC	Repair Road - Kalaiopua Place	Hawaiian Dredging Construction Co.	7-1-02	05119	\$51,400
DDC	Kalaiopua Place - Repair Road	Hawaiian Dredging Construction Co.	7-23-02	10001	\$51,400
DDC	Laenani Wastewater Pump Station Repair Force Main	Collucio Frank Construction Co.	7-3-03	10001	\$290,000
DDC	Kolo Place Emergency Sewer Line and Sinkhole Repair	Royal Contracting Co., Ltd.	8-23-01	10002	\$200,000
DDC	Honolulu Police Training Academy, Interior Improvements for Portable Classroom B for Shooting, etc.	Prime Construction, Inc.	7-7-03	10002	\$62,832
DDC	Sand Island Wastewater Treatment Plant (WWTP) Effluent Pump Station Temporary Repair of Discharge Piping	Oceanic Companies, Inc.	9-20-01	10003	\$78,500

DEPT	DESCRIPTION OF EMERGENCY PROCUREMENT	CONTRACTOR/ CONSULTANT	DATE LOGGED/ AWARDED	PURCHASE REQUISITION OR CONTRACT NUMBER	AMOUNT OF PURCHASE REQUISITION OR CONTRACT
DDC	Kaneohe Bay Sewer Line and Manhole Rehabilitation	James W. Glover, Ltd.	8-8-02	10003	\$373,600
DDC	City Hall - Repair Skylight	Prime Construction, Inc.	8-28-03	10003	\$124,735
DDC	Kaneohe Bay Drive - Repair 8-Inch Gravity Sewer Line	Eckard Brandes, Inc.	8-8-02	10004	\$30,224
DDC	Stillman Lane - Repair Sewer Line	Eckard Brandes, Inc.	9-3-03	10004	\$35,000
DDC	Ewa Beach - Furnish Material, Labor, Equipment for 12 Sketch/Build Ramps	Ron's Construction Corporation	12-18-01	10005	\$80,000
DDC	Kuono Place - Repair 8-Inch Sewer Line	Eckard Brandes, Inc.	9-16-02	10005	\$483,836
DDC	Repair Kailua Road Wastewater Pump Station Force Main	Frank Coluccio Construction	9-30-03	10005	\$700,000
DDC	Marin/Nuuanu - Construct Curb Ramps	Ron's Construction Corporation	12-28-01	10006	\$35,900
DDC	Koko Head Regional Park/Hanauma Bay Nature Preserve Gift Shop Improvements	T. Iida Contracting, Ltd.	11-6-02	10006	\$93,000
DDC	Replace Lusitana Street 6-Inch Sewer Line Between Pauoa and Auwailimu	Ideal Construction, Inc.	2-15-02	10007	\$424,094
DDC	Honolulu Police Department Headquarters Garage Floor Waterproofing	Structural Systems, Inc.	10-29-03	10007	\$319,983
DDC	Hawaii Kai, Kaimuki, Mililani and Waipahu - Construction of 30 Sketch/Build Ramps	Ron's Construction Corporation	2-15-02	10008	\$197,000
DDC	Beachwalk Wastewater Pump Station - Repairs	Oceanic Companies, Inc.	11-22-02	10008	\$146,300
DDC	Remove and Replace City Hall First Floor Roofing with New Single-Poly Roofing	Beach Side Roofing, LLC	11-28-03	10008	\$75,845
DDC	Kalihi Industrial, Mapunapuna, and Airport - Construction of 53 Sketch/Build Ramps	Royal Contracting Co., Ltd.	2-15-02	10009	\$332,000
DDC	Road Paving at Various Sites	Grace Pacific Corporation	1-26-04	10009	\$1,000,000
DDC	Repair Diamond Head Road Bridge Footing	Ideal Construction, Inc.	3-12-02	10010	\$28,960
DDC	Road Paving at Various Sites	Road Builders Corporation	1-26-04	10010	\$500,000
DDC	Repair 72-Inch Effluent Piping at Sand Island Wastewater Treatment Plant Effluent Pump Station	Oceanic Companies, Inc.	4-24-02	10011	\$86,400
DDC	Repair Roadway Wall at Kamamalu Avenue and Lusitana Street	Ron's Construction Corporation	11-27-02	10011	\$338,800
DDC	Repair Moanalua Valley Channel in Vicinity of Ala Makani Street	Shigemura Lau Sakanashi Higuchi	1-29-04	10011	\$26,226
DDC	Repair 36-Inch Force Main at Kamehameha Highway Wastewater Pump Station	Ideal Construction, Inc.	6-25-02	10012	\$150,000
DDC	Repair Waialae Nui Channel Wall at Kilauea Avenue	Shigemura Lau Sakanashi Higuchi	1-29-04	10012	\$28,331
DDC	Construction Management Services to Oversee Road Paving at Various Sites	Lyon Associates, Inc.	2-2-04	10013	\$200,000
DDC	Pave Roads at Various Sites	Grace Pacific Corporation	2-2-04	10014	\$500,000
DDC	Pave Roads at Various Sites	Ron's Construction Corporation	2-24-04	10015	\$200,000
DDC	Storm Drainage Improvements	Fukunaga & Associates, Inc.	3-16-04	10017	\$61,000
DDC	Honolulu Police Dept Headquarters - Remove & Replace Lanai Deck Roof	Certified Construction, Inc.	3-16-04	10018	\$345,310
DDC	Pave Roads at Various Sites	Grace Pacific Corporation	3-16-04	10019	\$500,000

DEPT	DESCRIPTION OF EMERGENCY PROCUREMENT	CONTRACTOR/ CONSULTANT	DATE LOGGED/ AWARDED	PURCHASE REQUISITION OR CONTRACT NUMBER	AMOUNT OF PURCHASE REQUISITION OR CONTRACT
DDC	Pave Roads at Various Sites	Road Builders Corporation	3-16-04	10020	\$500,000
DDC	Beachwalk Pump Station - Repair Leak for 20-Inch Sewer Force Main	Trenchless Engineering Corporation	3-19-04	10021	\$40,000
DDC	Dillingham Blvd - Repair 36-Inch Sewer Line	Ideal Construction, Inc.	3-19-04	10022	\$160,000
DDC	Road Paving at Various Sites	Ron's Construction Corporation	3-19-04	10023	\$300,000
DDC	Manana Warehouse Building No. 1 - Remove All Asbestos and Lead Paint from Existing Bldg & Demolish Bldg	Henry's Equipment Rental & Sales, Inc.	4-1-04	10024	\$112,000
DDC	Remove Lead Dust on Existing Interior Walls at Manana Warehouse Building 16	Coralco Corporation	4-21-04	10025	\$44,500
DDC	Ala Moana Wastewater Pump Station - Repair Force Main	Coluccio, Frank, Construction	4-21-04	10026	\$1,200,000
DDC	Ala Moana Wastewater Pump Station - Repair Force Main	Hawaiian Dredging Construction Company	4-21-04	10027	\$900,000
DDC	Wahiawa Police Station - Remove Skylight and Install New Roof Over Opening	Prime Construction, Inc.	4-22-04	10028	\$48,253
DDC	Waialae Nui Drainage Channel - Repair Basic Bid + Bid Item No. 1	Quality General, Inc.	4-22-04	10029	\$198,700
DDC	Repair Moanalua Valley Drainage Channel	Quality General, Inc.	5-3-04	10030	\$77,500
DDC	Repair Ala Moana Force Main	R.M. Towil Corporation	5-12-04	10032	\$25,000
DDC	Ala Moana Force Main - Repair	Wilson Okamoto & Associates, Inc.	5-12-04	10033	\$205,000
DDC	Install Office - Kapolei Fire Station	Prime Construction	11-15-02	19005	\$95,421
DDC	Replace Air Conditioning Unit	A.L. & C. Mechanical	9-30-03	21616	\$58,900
DDC	Repair Building - Sheridan Park	Tomco Corporation	5-10-03	23002	\$29,100
DDC	Repair Beachwalk Wastewater Pump	Oceanic Companies	11-12-02	42013	\$146,300
DDC	Repair Sewer Line - Gulick Avenue	Trenchless Engineering	3-6-03	53965	\$34,435
DES	Installation of Replacement Glass at Chimp and Hunting Dog Exhibits	California Glass & Railings	3-16-04	10016	\$41,841
DFM	Varona Village - Construct New Connector Road Between Renton Road and Roosevelt Road	Royal Contracting Co., Ltd.	7-23-02	10002	\$38,143
DFM	Waialua District Park - Install New Switchgear for Ballfield Lighting System	Standard Electric, Inc.	11-18-02	10007	\$46,280
DFM	Parts for Refuse Truck	HT & T Truck	6-28-02	55044	\$252,712
DFM	Parts for Refuse Truck	McNeilus Truck	6-28-02	55045	\$125,710
DFM	Parts for Refuse Truck	Heavy Equipment Parts	6-28-02	55046	\$73,083
DFM	Upgrade Hydraulic System	McNeilus Truck	9-20-02	55063	\$35,006
DFM	Lease Flatbed Truck	Penske Truck Leasing	7-23-01	57165	\$34,375
DFM	Replace Deteriorated Poles with Ornamental Street Light Poles for West Loch Estates and West Loch Fairways Subdivision	WESCO	10-11-01	57189	\$131,238
DFM	Connect to Road - Varona Village	Royal Contracting	7-10-02	57223	\$38,143
DFM	Install Switchgear - Waialua District Park	Standard Electric	10-21-02	57253	\$46,280
DFM	Repair Fort Street Light Vault	WESCO	12-30-03	57291	\$65,681
DFM	Asphalt	OK Hardware & Construction Supply	2-17-04	57296	\$31,250

Appendix B

DEPT	DESCRIPTION OF EMERGENCY PROCUREMENT	CONTRACTOR/ CONSULTANT	DATE LOGGED/ AWARDED	PURCHASE REQUISITION OR CONTRACT NUMBER	AMOUNT OF PURCHASE REQUISITION OR CONTRACT
DFM	Repair Fire Training Facility Roof	Certified Construction	3-18-04	57302	\$26,600
DIT	Install Security Cameras at Selected City Sites Under the Homeland Security Project	Security Resources Hawaii	7-8-02	C-00333	\$204,761
DPR	Clean Waialeale Pump Station	Sea Engineering	3-3-04	32572	\$25,000
DTS	Bus Transportation Rental – During Bus Strike	Ground Transport	8-27-03	65115	\$75,088
DTS	Rent Vans – During Bus Strike	Hertz Corporation	8-26-03	65118	\$57,046
DTS	Shuttle Service – During Bus Strike	Ground Transport	9-6-03	65120	\$76,336
ENV	Repair Sewer Line - Amelia Street	Insituform Technology	11-29-02	05014	\$194,502
ENV	Repair Sewer Line - College Walk	Insituform Technology	11-26-02	05015	\$35,310
ENV	Kahuku Wastewater Treatment Plant Repair Potable Water Line Emergency	Ideal Construction Inc.	12-13-01	10004	\$168,450
ENV	Keahi Transfer Station Repair Tipping Floor Slab	Summit Construction, Inc.	10-14-03	10006	\$96,888
ENV	College Walk - Repair Sewer Line	Insituform Technology	12-27-02	10009	\$32,100
ENV	Repair Sewer Line at Amelia Street Along Kalihi Stream	Insituform Technology	12-27-02	10010	\$176,820
ENV	Rising Stem Gate Valve	Valve Service	9-10-02	42002	\$29,868
ENV	Repair Roof - Kailua and Waipio Wastewater Treatment Plant (WWTP)	Certified Construct	12-30-02	42028	\$67,722
ENV	Repair Roof - Kaneohe Pump Station	Tory's Roofing	12-30-02	42028	\$86,000
ENV	Polymers for Wastewater Treatment	Brewer Environmental Industries Hawaii	1-9-03	42044	\$42,617
ENV	Install Ferric Chloride Chemical Feed System for Sand Island WWTP	Brewer Environmental Industries Hawaii	2-6-03	42047	\$86,462
ENV	Polymers for Wastewater Treatment	CSS, Inc.	2-28-03	42051	\$27,205
ENV	Cascade Pump	Engineered Systems	6-10-03	42083	\$268,332
ENV	Activated Carbon	Engineered Systems	2-20-04	42101	\$34,214
ENV	Chemical - Polymer	Brewer Environmental Industries Hawaii	2-5-04	42124	\$28,704
ENV	High Pressure Sludge Pump	H2O Pacific	11-12-03	42159	\$105,685
ENV	Air Compressor	Mr. Sandman	11-19-03	42160	\$110,103
ENV	Haul Wastewater from Sand Island WWTP	Unitek Solvent Services Inc.	11-14-03	42170	\$28,875
ENV	Haul Wastewater from Sand Island WWTP	Unitek Solvent Services Inc.	12-1-03	42172	\$41,112
ENV	Haul Wastewater from Sand Island WWTP	Unitek Solvent Services Inc.	12-30-03	42186	\$55,000
ENV	Security Guard Services – Honouliuli WWTP	Freeman Guards	1-30-04	42198	\$31,134
ENV	Haul Wastewater from Sand Island WWTP	Unitek Solvent Services Incl	2-2-04	42199	\$36,804
ENV	Wet Well Pump Station	Promark Corporation	2-19-04	42203	\$365,000
ENV	Haul Wastewater from Sand Island WWTP	Unitek Solvent Services Inc.	2-27-04	42208	\$45,329
ENV	Catalytic Odor Control Fan for Sand Island WWTP	New York Blower	12-6-03	42217	\$34,468
ENV	Security Guard Service – Ala Moana WWTP	Freeman Guards	3-9-04	42218	\$42,608
ENV	Force Main Repair	Freeman Guards	3-9-04	42218	\$42,608
ENV	Polymer	Chemical Sales	7-9-01	54480	\$36,548

DEPT	DESCRIPTION OF EMERGENCY PROCUREMENT	CONTRACTOR/ CONSULTANT	DATE LOGGED/ AWARDED	PURCHASE REQUISITION OR CONTRACT NUMBER	AMOUNT OF PURCHASE REQUISITION OR CONTRACT
ENV	Center Mast Assembly	Promark Corporation	1-10-02	54527	\$43,841
ENV	Hydraulic Shaft Assembly	Promark Corporation	3-1-02	54546	\$48,888
ENV	Convert Centrifuges	Promark Corporation	4-25-02	54563	\$30,266
ENV	Polymers for Wastewater Treatment	Tae Kae Enterprises	9-11-02	54577	\$32,160
ENV	Dispose Propane Tanks	M&D Island Propane	3-21-03	55077	\$87,496
ENV	Soil Assessment	AMEC Earth & Environment	4-25-03	55080	\$25,000
ENV	Dispose Propane Tanks	Refrigerant Recycling	5-2-03	55085	\$142,113
ENV	Remove Residual Gas from Gas Cylinder	Penco	7-10-03	55103	\$31,193
ENV	Security Guard Services at Various Disposal Facilities	Alii Security Service	3-22-04	55129	\$270,000
ENV	Security Guard Services at H-Power Plant	Covanta Honolulu Resource Recovery	9-23-03	56116	\$31,497
ENV	Field and Information Management Services	Oceanit Laboratories, Inc.	4-10-02	C-80461	\$370,780
ENV	Furnish and Deliver Replacement Carrier Air Conditioning Equipment	TR Enterprise Inc.	9-5-01	54448	\$27,375
ENV	Security Guard Services	Centurion Security	10-18-01	54505	\$92,506
ESD	Respirators with Accessories and Vests	Gaspro	9-27-01	18168	\$26,998
ESD	Repair Spincon	Sceptor Industries	8-25-03	19000	\$57,500
ESD	Respirators with Accessories, Vests, Cartridge Packs and Battery Packs	Gaspro	9-27-01	19006	\$34,583
ESD	Hand held Airborne Biological Agent Sampler System	MesoSystems Tech	10-9-01	19014	\$107,400
ESD	Biological Agent Presumptive Testing and Identification System	Alexeter Technologies	10-9-01	19015	\$81,390
ESD	Antibiotics - Ciprofloxacin and Doxycycline	U.S. Department of Health & Human Services	10-31-01	19017	\$113,213
ESD	Rugged Advanced Pathogen ID Device	Idaho Technology Inc.	11-30-01	19021	\$64,562
ESD	Portable Air Sampler	Sceptor Industries	1-18-02	19026	\$192,508
HFD	Personal Protective Garments	Gaspro	5-31-02	18211	\$83,250
HPD	Puumanawahua Tower - Repair	Stan's Contracting, Inc.	6-24-03	10012	\$354,700
HPD	Kahuku Communication Tower - Repair	Prime Construction, Inc.	6-24-03	10013	\$218,162
HPD	Honolulu Police Training Academy - Construct Driveway, Install Security Fence, Concrete Slab & Electrical Power for Explosive	Site Engineering, Inc.	6-28-02	10014	\$59,000
HPD	Concealable Body Armor	Security Equipment Corporation	5-31-02	13929	\$250,000
HPD	Parts for MDC Gateway: Power Supply, Cab Board, TS1 Board, Modem Interface, Rockwell Module	Dailey-Wells Communication	9-18-01	37705	\$29,936
HPD	Rifles	Magnum	11-19-01	37736	\$34,750
HPD	Various Police Equipment	Magnum	12-6-01	37737	\$57,280
HPD	Mini-Andros Robot System	Remotec, Inc.	11-19-01	37738	\$96,329
HPD	Mobile Large Android Robot System	Remotec, Inc.	12-7-01	37746	\$161,481
HPD	Personal Protective Equipment Coveralls	Gaspro	5-16-02	37818	\$65,226

Appendix B

DEPT	DESCRIPTION OF EMERGENCY PROCUREMENT	CONTRACTOR/ CONSULTANT	DATE LOGGED/ AWARDED	PURCHASE REQUISITION OR CONTRACT NUMBER	AMOUNT OF PURCHASE REQUISITION OR CONTRACT
HPD	Personal Protective Equipment	Guy Miyashiro & Company	5-16-02	37818	\$52,528
HPD	Rifles, Shotguns and Accessories	Security Equip Corporation	6-24-02	37860	\$129,618
HPD	Upgrade Communication System	Fairway Electric	6-27-02	37881	\$313,694
HPD	Solo Motorcycles	South Seas Honda	11-13-02	37931	\$923,166
HPD	Jaguar Battery	Diversified Communication	6-20-03	38039	\$57,970
HPD	Batteries for Police Portable Radios	Diversified Technology	1-14-04	38129	\$138,180
HPD	Long Life Batteries for Police Car Mobile Computers	Valence Technology	1-13-04	38130	\$92,092
HPD	Portable Radios	Dailey-Wells Communications	1-14-04	38145	\$174,596
HPD	Communications Test Set	Agilent Technology	1-14-04	38147	\$68,817
HPD	Custom-Fitted, Concealable, Body Armor Vests	Security Equipment Corporation	5-31-02	Proposal 13929	\$757,430

Source: Department of Budget and Fiscal Services, Purchasing Division
See Appendix D for Description of Department Code

Appendix C

List of City's Professional Services - Qualified List Procurements \$25,000 or More FY2001-02 to FY2003-04

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
BFS	Captive Insurance Feasibility Study & Insurance Program Review	50th State Risk Management Services, Inc.	6-14-02	C-93502	\$61,000
BFS	Financial Feasibility Study	Dye Management Group	11-21-02	F-95023	\$899,938
COR	Legal Services for Kahoohanohano vs. State of Hawaii Challenging Act 100	Dwyer Schraff Meyer Jossem & Bushnell	9-16-02	C-01113	\$25,000
COR	Legal Services, City and County of Honolulu vs. Attractions Hawaii et al.	Matsubara Lee & Kotake	12-24-03	C-26984	\$25,000
COR	Special Counsel for Sensible Traffic Alternatives and Resources vs. Federal Transit Administration	Carlsmith Ball LLP	12-11-03	C-27214	\$35,000
COR	Legal Services for Kaho'ohanohano vs. State	Dwyer Scharaff Meyer Jossem & Bushnell	1-29-04	C-28164	\$50,000
COR	Special Counsel for Peter Carlisle in Robert Rees vs. Peter Carlisle	Perkin & Faria	2-27-04	C-28694	\$25,000
COR	Specialty Deputy to Represent City in Jou vs. Argonaut Insurance Co.	The Pacific Law Group	3-5-04	C-28714	\$25,000
COR	Special Deputy to City in First Fire & Casualty Insurance of Hawaii vs. C.J. Peterson	Ayabe Chong Nishimoto Sia & Nakamura	4-1-04	C-29114	\$25,000
COR	Special Counsel to Rick Barnett in Barnes vs. Barnett	Ayabe Chong Nishimoto Sia & Nakamura	4-26-04	C-29174	\$25,000
COR	Special Counsel for Smith vs. City and County of Honolulu	Marr Hipp Jones & Wang	4-23-04	C-31374	\$50,000
COR	Defend Michael Rapisura in McGill vs. HPD	Hisaka Stone Goto Yoshida Cosgrove & Ching	11-13-01	C-87692	\$25,000
COR	Defend Kenneth Kamakana in Akana vs. Peter Carlisle	The Pacific Law Group	11-13-01	C-87722	\$25,000
COR	Defend Lee D. Donohue in Akana vs. Peter Carlisle	Goodsill Anderson Quinn & Stifel	11-13-01	C-87732	\$25,000
COR	Serve as Special Deputy in Acquisition of Hawaii Kai Golf Course	Kobayashi Sugita & Goda	11-13-01	C-87742	\$50,000
COR	Legal Services Officer Nelson Omandam, DOE vs. Heu, et al.	Matsui Chung Sumida & Tsuchiyama	11-23-01	C-88342	\$25,000
COR	Legal Services for Officer Frederick Roskopf, et al. vs. Eric Heu, et al.	Matsui Chung Sumida & Tsuchiyama	11-30-01	C-88492	\$25,000
COR	Defend Mauela Mariano in Abing vs. City and County of Honolulu	Hosoda & Associates	2-1-02	C-91122	\$25,000
COR	Legal Services for Covanta Honolulu Recovery Venture Bankruptcy Proceedings	Reinwald O'Connor & Playdon, LLP	7-1-02	C-93452	\$25,000
COR	Special Counsel To Represent Brian Sugimoto in Schroeder vs. Alston	The Pacific Law Group	12-3-02	C-95333	\$50,000
COR	Represent City In Claims for Sand Island Disinfection Project Filed by RCI	Kobayashi Sugita & Goda	3-31-03	C-97133	\$75,000
COR	Represent Keaka Atkinson in Donnerumma vs. City and County of Honolulu	Ayabe Chong Nishimoto Sia & Nakamura	4-21-03	C-97783	\$25,000
COR	Defend Major Jeffrey Owens	Darwin L.D. Ching, Esq.	7-9-03	C-99103	\$100,000

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
COR	Represent City in Oahu Transit Services vs. Northfield Insurance Co.	Matsui Chung Sumita & Tsuchiyama	7-9-03	C-99203	\$25,000
COR	Legal Services in Insurance Coverage Disputes in Muramoto vs. City and County of Honolulu	Matsui Chung Sumita & Tsuchiyama	7-9-03	C-99213	\$100,000
COR	Special Deputy Corporation Counsel to Represent City in E Noa Corporation vs. DTS	Carlsmith Ball LLP	7-11-03	C-99243	\$30,000
COR	Expert In Contract, Employment & Collective Bargaining Law on Behalf of City in UPW vs. City and County of Honolulu	Watanabe Ing Kawashima & Komeiji	7-16-03	C-99253	\$185,000
COR	Legal Services in Hanabusa et al. vs. ENV	Goodsill Anderson Quinn & Stifel	7-25-03	C-99263	\$30,000
CSD	Motor Vehicle Registration System	Datahouse Consulting Inc.	6-27-02	C-93592	\$80,000
DDC	Project Management Services for DDC Capital Improvement Projects	Pad International, Inc.	9-11-01	C-86932	\$200,000
DDC	Construction Management Services, Various Projects	KFC Engineering Management Inc.	6-25-02	C-93242	\$150,000
DDC	Construction Management Services, Various Projects	Graham Murata Russell	6-25-02	C-93332	\$150,000
DDC	Environmental Services, Phase V	Muranaka Environmental Consultant, Inc.	7-9-02	C-93542	\$100,000
DDC	Archaeological Services, Various Buildings and Parks	Cultural Surveys Hawaii Inc.	7-9-02	C-93552	\$100,000
DDC	Kahaluu Community Park, Neighborhood Board (NB)	Hida Okamoto & Associates Inc.	5-15-03	C-97873	\$70,000
DDC	Various City Facilities, Environmental Services, Phase 2003-04	Muranaka Environmental Consultants, Inc.	7-31-03	C-99133	\$140,000
DDC	Various Police Facilities, Environmental Services	Kimura International Inc.	7-31-03	C-99143	\$40,000
DDC	Various Fire Facilities, Environmental Services	Kimura International Inc.	7-31-03	C-99153	\$40,000
DDC	Miscellaneous Public Building Facilities Improvements - Kaneohe Police Station Air Conditioning System Improvements	Okahara & Associates, Inc.	8-15-02	F-00993	\$50,000
DDC	Geiger Community Park	CJS Group Architects, Ltd.	8-19-02	F-01003	\$245,000
DDC	Swimming Pool Renovations at Various Parks	Paul Louie & Associates Inc.	8-15-02	F-01013	\$100,000
DDC	Collection System Maintenance Yard at Halawa	SSFM International, Inc.	9-16-02	F-01093	\$650,000
DDC	Curb Ramps at Various Locations, FY2001-02 Transition Plan	Wilson Okamoto & Associates Inc.	9-16-02	F-01133	\$400,000
DDC	Waipahu District Park	Randal S. Furomoto & Associates, Inc.	9-16-02	F-01163	\$198,232
DDC	Construction Management for Waipio Soccer Park	KFC Engineering Management Inc.	9-16-02	F-01233	\$338,000
DDC	Aina Koa Neighborhood Park, Vision	Archipelago LLC	7-31-03	F-25514	\$50,000
DDC	Kailua District Park, Neighborhood Board (NB)	Next Design, LLC	7-31-03	F-25524	\$29,000
DDC	Kapiolani Regional Park - Winsteadt House (Paki Hale)	Matsushita, Saito & Associates, Inc.	7-17-03	F-25544	\$25,000

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Energy Conservation Improvements Various Energy Related Services - Open Ended	Lange Motonaga, Inc.	8-20-03	F-25724	\$75,000
DDC	Waialeale Road Improvements	Okahara & Associates, Inc.	9-5-03	F-26084	\$70,000
DDC	Curb Ramps at Various Locations, FY2002-03 Transition Plan	Wilson Okamoto & Associates Inc.	9-19-03	F-26114	\$400,000
DDC	Waikiki Comprehensive Landscape Plan	Lester H. Inouye & Associates Inc.	10-9-03	F-26144	\$50,000
DDC	Curb Ramps at Various Locations, FY2003-04	Sato & Associates Inc.	9-19-03	F-26164	\$404,494
DDC	Upgrade of City Microwave Radio System	Science Applications International Corporation	9-19-03	F-26174	\$518,987
DDC	Kapakahia Stream Walkway, Vision	Santo Engineers, LLC	10-21-03	F-26184	\$100,000
DDC	Rehabilitation of Streets, Various Locations FY2002-03	M&E Pacific Inc.	10-7-03	F-26244	\$600,000
DDC	Haiku Nature Valley Preserve - Haiku Stairs	Ink Architects, Inc.	10-7-03	F-26264	\$125,000
DDC	Kamehameha Highway Transit Improvements	Weslin Consulting Services, Inc.	10-2-03	F-26314	\$250,000
DDC	Ala Moana Blvd. Sewer Reconstruction	M&E Pacific, Inc.	10-27-03	F-26324	\$207,950
DDC	Ala Moana Regional Park	AKTA Ltd.	10-7-03	F-26334	\$180,000
DDC	Pele Street Community Park	Hawaii Design Associates Inc.	11-25-03	F-26344	\$40,000
DDC	Alii Shores Sewer Rehabilitation	Kim & Shiroma Engineers, Inc.	11-5-03	F-26354	\$97,000
DDC	Hoa Aloha Neighborhood Park	KN Consulting Services Inc.	11-12-03	F-26474	\$68,600
DDC	Rehabilitation of Streets, Various Locations FY2002-03	Austin Tsutsumi & Associates Inc.	11-17-03	F-26494	\$600,000
DDC	Curb Ramps at Various Locations, FY2002-03	Austin Tsutsumi & Associates Inc.	11-7-03	F-26504	\$600,000
DDC	Rehabilitation of Streets Various Locations, FY2002-03	Parsons Brinckerhoff Quade & Douglas Inc.	11-17-03	F-26764	\$600,000
DDC	Bridge Inspection, Inventory and Appraisal at Various Locations, FY2002-03	KAI Hawaii Inc.	11-17-03	F-26774	\$290,000
DDC	Waikiki Improvements, Neighborhood Board (NB)	Lester H. Inouye & Associates Inc.	11-18-03	F-26834	\$100,000
DDC	Curb Ramps at Various Locations, FY2002-03	R.M. Towill Corporation	11-14-03	F-26854	\$600,000
DDC	Kalihi Flood Control Improvements	Hawaii Pacific Engineers Inc.	12-24-03	F-26944	\$81,000
DDC	Waialeale Community Park	Matsushita Saito & Associates Inc.	12-24-03	F-27014	\$81,000
DDC	Kawai Nui Model Airplane Field Kailua	Pacific Architects Inc.	12-29-03	F-27034	\$100,000
DDC	Sand Island Wastewater Treatment Plant (WWTP) Modifications, Unit 1 Phase 2A	R. M. Towill Corporation	12-24-03	F-27044	\$1,700,000
DDC	Sand Island WWTP Expansion Primary Treatment	R. M. Towill Corporation	12-24-03	F-27074	\$2,000,000
DDC	Laniakea Beach Support Park	Oceanit Laboratories Inc.	12-29-03	F-27114	\$74,800
DDC	Mililani Mauka District Park - Master Plan Improvements	Awa & Associates, LLC	12-29-03	F-27134	\$100,000
DDC	Manoa Triangle Park	Urban Works Inc.	12-29-03	F-27154	\$50,000
DDC	Waipahu District Park	Ink Architects Inc.	12-29-03	F-27174	\$57,700
DDC	Mililani District Park Improvements	NTW Associates Inc.	12-24-03	F-27184	\$110,000
DDC	Moanalua Valley Neighborhood Park	Jeffery Nishi & Associates/Architects	12-29-03	F-27194	\$60,000

Appendix C

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Kaimuki Area Park Improvements - Maunalani Community Park	Anbe, Aruga & Ishizu, Architects, Inc.	1-5-04	F-27274	\$150,000
DDC	Kuliouou Sewer Rehabilitation and Wastewater Pump Station Modification	Shimabukuro Endo Yoshizaki Inc.	12-29-03	F-27314	\$750,000
DDC	Kapiolani Area Revised Sewer System	Hawaii Pacific Engineers Inc.	12-31-03	F-27364	\$800,000
DDC	Rehabilitation Of Streets Various Locations FY2002-03	Engineering Concepts Inc.	1-5-04	F-27374	\$300,000
DDC	Kapaolono Community Park	KN Consulting Services, Inc.	12-30-03	F-27434	\$35,000
DDC	Fort Weaver Road Manhole and Pipe Rehabilitation Project	Limtiaco Consulting Group	1-5-04	F-27454	\$369,000
DDC	Ala Moana Wastewater Pump Station Modification	R. M. Towill Corporation	1-5-04	F-27504	\$700,000
DDC	Kuliouou Neighborhood Park Improvements	Randal S. Furomoto & Associates, Inc.	1-5-04	F-27764	\$75,000
DDC	Kokohead Communication Site Renovation	SSFM International Inc.	1-5-04	F-27794	\$239,317
DDC	Waipahu Sewer Replacement Relief	Paren Inc. dba Park Engineering	1-12-04	F-27804	\$83,975
DDC	Kailua/Kaneohe Sewer Rehabilitation	Brown & Caldwell	1-9-04	F-27814	\$500,000
DDC	Haleiwa Alii Beach Park Improvements	Kwock & Associates Inc.	1-27-04	F-27824	\$50,000
DDC	Kekaulike Mall, Miscellaneous Sidewalk Improvements	Santo Engineers, LLC	1-9-04	F-27834	\$108,300
DDC	Waialae Beach Park	Fukunaga & Associates Inc.	1-13-04	F-27854	\$222,800
DDC	Miscellaneous Wastewater Treatment Plant And Wastewater Pump Station Projects, FY2002-03	Engineering Concepts Inc.	1-9-04	F-27864	\$500,000
DDC	Miscellaneous Sidewalk Improvements - Nuuanu Avenue in Chinatown	Shimabukuro, Endo & Yoshizaki	1-8-04	F-27884	\$143,500
DDC	Honolulu Police Department - Electrical Power Evaluation	Ronald N. S. Ho & Associates Inc.	1-8-04	F-27894	\$50,000
DDC	Ala Moana Wastewater Pump Station Modifications	M&E Pacific Inc.	1-16-04	F-27944	\$900,000
DDC	Construction Management - Kuhio Avenue Kapahulu Avenue Segment of Bus Rapid Transit, Iwilei to Waikiki Alignment	GMP Hawaii, Inc.	1-8-04	F-27964	\$1,900,000
DDC	Structural Best Management Practices for Storm Drain Outlet Near Ala Wai Canal	Marc M. Siah & Associates Inc.	1-20-04	F-27974	\$90,000
DDC	Kahala Community Park	Jeffery Nishi & Associates/Architects	1-16-04	F-27994	\$33,500
DDC	Salt Lake Boulevard Widening	Austin Tsutsumi & Associates Inc	1-16-04	F-28004	\$2,500,000
DDC	Wahiawa Ambulance Unit Facility	Paul Louie & Associates Inc.	1-21-04	F-28014	\$117,480
DDC	Traffic Improvements at Various Locations	R.M. Towill Corporation	1-28-04	F-28044	\$476,000
DDC	Miscellaneous Bikeway Projects - Makai Side of Sunset Fire Station	Stanley Yim & Associates Inc.	1-31-04	F-28054	\$150,900
DDC	Emergency Medical Services Headquarters and Communications Facility - Interim Agreement	AM Partners Inc.	1-21-04	F-28094	\$500,000
DDC	Construction Management Services, Bus Rapid Transit (BRT) Iwilei to Waikiki Alignment	KFC Engineering Management Inc.	1-26-04	F-28174	\$1,700,000
DDC	Public Building Improvements, FY2003-04	Anbe, Aruga & Ishizu Architects, Inc.	5-25-04	F-31274	\$240,000

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Salt Lake District Park - Miscellaneous Park Improvements	Alpha Engineers, Inc	6-25-04	F-31424	\$40,000
DDC	Sunset Beach Neighborhood Park	Matsumoto Santa Maria Architects, Inc.	7-2-01	F-85821	\$28,500
DDC	Makiki Town Center and Wilder Avenue Revitalization Master Plan	Dana Anne Yee, Landscape Architects	7-2-01	F-85831	\$200,000
DDC	Ahuimanu Community Park - Reconstruction of Play Courts	Bennett Engineers, Inc.	7-2-01	F-85891	\$63,513
DDC	City Hall Annex Auditorium Restoration	Next Design, LLC	7-2-01	F-85941	\$255,000
DDC	Pahemo Street Relief Drain Study	Fukunaga & Associates	7-9-01	F-86312	\$75,000
DDC	Design Transit Center Park & Ride Lot at Aloha Stadium	Mitsunaga and Associates Inc.	7-16-01	F-86332	\$100,000
DDC	Kalihi Valley District Park	Paren, Inc. dba Park Engineering	7-30-01	F-86402	\$91,000
DDC	Kulana Nani Apartment Renovation Phase 4	Awa & Associates LLC	8-3-01	F-86412	\$138,000
DDC	Kamiloiki Stream Dredging Project	Fukunaga & Associates	8-2-01	F-86422	\$60,000
DDC	New Multipurpose Building and Parking Lot at Kualoa Regional Park	Group 70 International, Inc.	8-2-01	F-86432	\$80,000
DDC	Department Of Enterprise Services - Facilities Improvements	Kimura YBL & Associates, Ltd	8-2-01	F-86442	\$90,000
DDC	Kahawainui Stream Flood Control, Poohaili Street Improvements	Okahara & Associates Inc	8-6-01	F-86452	\$35,000
DDC	Pearl Harbor Recreation Complex	Paul Louie & Associates Inc.	10-10-01	F-86472	\$390,000
DDC	Kapolei Regional Park	Architects Pacific Inc.	8-16-01	F-86532	\$160,000
DDC	Aiea Pearl City Skateboard Park	Bryce E. Uyehara AIA Inc.	8-14-01	F-86542	\$70,000
DDC	Sand Island Wastewater Treatment Plant (WWTP) Disinfection Construction Management	R. M. Towill Corporation	8-24-01	F-86592	\$500,000
DDC	Nuuanu Community Park	Helber Hastert & Fee Planners Inc.	9-5-01	F-86612	\$50,000
DDC	Maunalua Bay Beach Park Expansion Aina Haina	Bill Chang Architect LLC	9-5-01	F-86662	\$30,000
DDC	Wahiawa Botanical Garden-Site Work	Belt Collins Hawaii, Ltd	9-6-01	F-86672	\$275,000
DDC	Waipahu Street/Plantation Village Sewer Reconstruction	Hida, Okamoto & Associates, Inc.	9-5-01	F-86682	\$51,000
DDC	Sand Island Basin Miscellaneous Sewer Rehabilitation	Austin Tsutsumi & Associates	9-5-01	F-86692	\$151,000
DDC	Kaneohe Bay Drive Trunk Sewer Reconstruction	Fukunaga & Associates, Inc.	9-6-01	F-86702	\$671,000
DDC	He'eia Kea Valley Master Plan	Wil Chee Planning Inc.	9-5-01	F-86712	\$100,000
DDC	Waikiki Beach - Public Restrooms	Bill Chang Architect LLC	9-5-01	F-86722	\$25,000
DDC	Collection System Maintenance Yard at Halawa	SSFM International, Inc.	9-5-01	F-86732	\$350,000
DDC	Waialua District Park	Anbe Aruga & Ishizu Architects Inc.	10-10-01	F-86842	\$412,000
DDC	Small Mainline Sewer Projects and Lateral Small Projects	Stanley Yim & Associates, Inc.	9-6-01	F-86862	\$115,000
DDC	Fort Weaver Road Manhole and Pipe Rehabilitation	Fujita & Associates, Inc	9-6-01	F-86872	\$261,000

Appendix C

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Curb Ramps at Various Locations, Project Management	Parsons Brinckerhoff Quade & Douglas Inc.	9-18-01	F-86912	\$42,500
DDC	Utilities Relocation, Undergrounding of Overhead Utilities Nuuanu/Alewa, Vision	Ronald N.S. Ho & Associates, Inc.	9-19-01	F-86922	\$625,000
DDC	Kaneohe District Park, Vision	Bryce E. Uyehara AIA Inc.	9-14-01	F-86942	\$61,000
DDC	Ewa Mill - Demolition and Cleanup	Environet	9-14-01	F-86952	\$600,000
DDC	Blaisdell Center East Concourse	Matsumoto Santa Maria Architects, Inc.	9-18-01	F-86972	\$30,000
DDC	Velzyland Park Complex	Kim & Shiroma Engineers, Inc.	9-11-01	F-87062	\$100,000
DDC	Ewa Mahiko District Park	Yamasato Fujiwara Higa & Associates Inc.	9-19-01	F-87072	\$435,000
DDC	Wailupe Valley Neighborhood Park - Pedestrian Bridge	Randal S. Furomoto & Associates Inc.	9-19-01	F-87082	\$100,000
DDC	Enchanted Lake Wastewater Pump Station Upgrade	Okahara & Associates Inc	9-19-01	F-87092	\$80,000
DDC	Waimalu Sewer Rehabilitation	Hawaii Pacific Engineers	9-19-01	F-87102	\$661,000
DDC	Halona Street Relief Sewer Kalihi	Okahara & Associates Inc	9-21-01	F-87122	\$110,000
DDC	Alani Drive Drainage Improvements, Manoa	Akinaka & Associates, Ltd.	9-21-01	F-87132	\$70,000
DDC	Bridge Replacement at Various Locations (LA-I Bridges)	KAI Hawaii, Inc.	9-21-01	F-87142	\$150,000
DDC	Sand Island Wastewater Treatment Plant (WWTP), Unit 1 Phase 2A	M&E Pacific, Inc	9-21-01	F-87152	\$1,455,000
DDC	Vineyard Boulevard Improvements, Vision	Walters, Kimura, Motoda, Inc.	9-21-01	F-87172	\$50,000
DDC	Rehabilitation Of Streets Phase 2B-1	Sato & Associates Inc.	10-1-01	F-87272	\$143,757
DDC	Hoomaluhia Botanical Garden - Repave Parking Lots & Walkways	Sam O. Hirota, Inc.	10-4-01	F-87282	\$59,892
DDC	Nuhelewai Stream Improvements Kalihi	Austin Tsutsumi & Associates Inc.	10-4-01	F-87292	\$90,000
DDC	Mililani Multi-Use Building - Feasibility & Planning Study, Vision	Wil Chee Planning, Inc	10-4-01	F-87332	\$100,000
DDC	Manana Warehouse Improvements	Kimura YBL & Associates, Ltd	10-4-01	F-87342	\$40,000
DDC	Nimitz Highway Sewer Reconstruction at OCCC	Limtiaco Consulting Group	10-10-01	F-87372	\$76,000
DDC	Rehabilitation of Streets - Unit 10 Curb Ramps	Parsons Brinckerhoff Quade & Douglas Inc.	9-28-01	F-87392	\$300,000
DDC	Rehabilitation of Streets - Unit 14B Curb Ramps	R. M. Towill Corporation	10-3-01	F-87402	\$110,000
DDC	Sunset Beach Neighborhood Park	W. Dean Alcon & Associates Inc.	10-10-01	F-87412	\$35,000
DDC	Kawai Nui Gateway Park Kailua	Leo A. Daly	10-8-01	F-87422	\$138,000
DDC	Laie Sewer Improvement District	URS Corporation	10-8-01	F-87452	\$800,000
DDC	Lighting West Loch Estates And West Loch Fairways Subdivision	Ronald N.S. Ho & Associates Inc.	10-5-01	F-87472	\$180,000
DDC	Kealahi Neighborhood Park	Paul S. Osumi Jr., AIA, Inc.	10-23-01	F-87512	\$31,550
DDC	Rehabilitation of Streets - Unit 12B Curb Ramps	M&E Pacific Inc.	10-18-01	F-87632	\$222,000
DDC	Kaaawa Beach Park, Vision	AKTA Ltd.	11-14-01	F-87662	\$160,000
DDC	Ala Moana/Moiliili Street Beautification (Keeaumoku Street Lighting Improvements)	Ronald N.S. Ho & Associates Inc.	10-18-01	F-87682	\$85,000

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Architecture And Engineering Services Golf Course Facilities Improvements	Ushijima Architects Inc.	11-14-01	F-87762	\$150,000
DDC	Wahiawa WWTP Influent Pump Station Upgrade and Equilization Facility	Limtiaco Consulting Group	10-23-01	F-87772	\$277,000
DDC	Pacific Palisades Community Park	Paul S. Osumi Jr., AIA, Inc.	10-23-01	F-87782	\$30,000
DDC	Lusitana Street, Ladd Lane - Emergency Sewer Line Reconstruction	Hawaii Pacific Engineers Inc.	10-18-01	F-87812	\$130,000
DDC	Resurfacing of Streets 1B-1 Curb Ramps	Engineers Surveyors Hawaii	10-23-01	F-87832	\$448,033
DDC	DFM Maintenance Corporation Yard & DPR Corporation Yard Manana	Marc M. Siah & Associates	11-16-01	F-87842	\$215,000
DDC	Loliana Transitional Housing	AES Design Group, Inc.	10-23-01	F-87862	\$30,000
DDC	Dog Parks - Moanalua Park and Kamanele Park	KN Consulting Services, Inc	11-13-01	F-87882	\$25,000
DDC	Alder Street Community Center	Gerald Park Urban Planner	11-13-01	F-87892	\$50,000
DDC	Master Plan Improvements at Asing Community Park	Engineering Concepts Inc.	10-23-01	F-87902	\$77,584
DDC	Fire Training Burn Structure	Group 70 International, Inc.	10-23-01	F-87912	\$75,000
DDC	Project Management Services - Curb Ramp Program	KFC Engineering Management Inc.	10-23-01	F-87922	\$150,000
DDC	City Beautification Program	Architects Hawaii, Ltd.	10-23-01	F-87932	\$100,000
DDC	Mauna Lahilahi Beach Park	Allen Ng & Associates, Architects	11-14-01	F-87962	\$75,000
DDC	Waimanalo All Parks Master Plan, Vision	AES Group, Inc.	11-14-01	F-87972	\$150,000
DDC	Hauula Community Park	Bryce E. Uyehara Aia Inc.	11-14-01	F-87982	\$90,000
DDC	Mokuleia Parcel Master Plan	Townscape Inc.	11-14-01	F-88022	\$63,000
DDC	Fire Station Improvements Phase II	Lou Chan & Associates Inc.	11-21-01	F-88032	\$50,000
DDC	Waimanalo All Parks Master Plan	Hawaii Design Associates Inc.	11-14-01	F-88062	\$150,000
DDC	Blaisdell Center Concert Hall Roof	Kimura YBL & Associates, Ltd	11-14-01	F-88072	\$60,000
DDC	Halawa Corp. Yard - Phase II Test Lab Relocation	Wilson Okamoto & Associates	11-14-01	F-88082	\$79,766
DDC	Kamilo Iki Community Park New Skateboard & Inline Skating Park	Group 70 International, Inc.	11-9-01	F-88122	\$150,000
DDC	Waimanalo Flood And Drainage Master Plan	Wesley R. Segawa & Associates Inc.	11-19-01	F-88132	\$100,000
DDC	Koko Head Neighborhood Park	Austin Tsutsumi & Associates, Inc.	11-21-01	F-88142	\$50,000
DDC	Kahaluu Community Park	NTW Associates, Inc.	11-16-01	F-88152	\$30,000
DDC	Waterfront Passive Park Waipahu, Vision	Lester Inouye & Associates, Inc.	11-16-01	F-88162	\$250,000
DDC	Ala Moana Regional Park - Lawn Bowling Facility	Jeffery Nishi & Associates	11-16-01	F-88172	\$44,000
DDC	Waimanalo Beach Park, Vision	Awa & Associates, LLC	11-16-01	F-88192	\$40,000
DDC	Hao Street Drainage Ditch Aina Haina	KN Consulting Services, Inc	11-16-01	F-88202	\$100,000
DDC	Waialae Beach Park	Dana Anne Yee Landscape Architect LLC	11-20-01	F-88222	\$31,000
DDC	Miscellaneous Sidewalk Improvements Kaneohe	Community Planning Inc.	11-20-01	F-88232	\$70,000
DDC	Aiea/Pearl City Swimming Pool, Vision	Urban Works Inc.	11-16-01	F-88242	\$75,000
DDC	Project Management Services	KFC Engineering Management Inc.	11-28-01	F-88252	\$100,000

Appendix C

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Project Management Services for Various Projects	Yamasato, Fujiwara, Higa & Associates	1-8-02	F-88262	\$150,000
DDC	Waiau District Park	Paren Inc.	11-21-01	F-88292	\$86,000
DDC	Project Management Services for Various Projects	Pacific Architects, Inc.	11-26-01	F-88302	\$150,000
DDC	Project Management Services for Various Projects	KFC Engineering Management, Inc.	11-16-01	F-88312	\$150,000
DDC	Village Park Skateboard Facility Waipahu	Bryce Uyehara AIA Inc.	11-21-01	F-88322	\$50,000
DDC	Construction Management Services for Kaimuki Master Plan Improvements	Graham Murata Russell	11-29-01	F-88332	\$170,000
DDC	Bayview Street Relief Drain Waianae	Bow Engineering & Development Inc.	11-21-01	F-88352	\$150,000
DDC	Kanewai Community Park	Paul Louie & Associates, Inc.	11-21-01	F-88362	\$33,000
DDC	Blaisdell Center Arena - Roofing Improvements	Kodama/Okamoto Architects, Inc.	11-19-01	F-88392	\$45,000
DDC	Waikiki Improvements, Vision	Wilson Okamoto & Associates Inc.	11-23-01	F-88402	\$150,000
DDC	Palailai Neighborhood Park (Makakilo Heights Park)	Franklin Wong & Associates, Ltd	11-21-01	F-88412	\$65,000
DDC	Palolo Senior Citizens' Center, Vision	AM Partners Inc.	11-21-01	F-88422	\$70,000
DDC	Rehabilitation of Streets - Phase IB-2 Curb Ramps	Shimabukuro Endo & Yoshizaki Inc.	11-21-01	F-88442	\$388,000
DDC	Additional Improvements to Kuhio Beach Park and Queens Surf Park	Lester H. Inouye & Associates Inc.	11-30-01	F-88452	\$200,000
DDC	Lanakila District Park Swimming Pool	Paul Louie & Associates Inc.	11-28-01	F-88462	\$357,690
DDC	Seismic Retrofit of Bridges	SSFM International Inc.	11-28-01	F-88482	\$400,000
DDC	Kamehameha Highway Flood Remediation - Haleiwa	Kim and Shiroma Engineers	11-30-01	F-88512	\$400,000
DDC	Canoe Halau Improvements at Various Parks - Nanakuli Beach Park	Paul S. Osumi Jr. Aia Inc.	11-28-01	F-88522	\$164,000
DDC	Honolulu Zoo - Veterinary Clinic	Yamasato, Fujiwara, Higa & Associates, Inc.	11-28-01	F-88532	\$200,000
DDC	Mililani Mauka Civic Center	Design Partners, Inc.	11-29-01	F-88552	\$50,000
DDC	Canoe Halau Improvements - Haleiwa Beach Park	Ink Architects Inc.	12-11-01	F-88562	\$137,000
DDC	Miscellaneous Sidewalk Improvements - Ewa Beach	Community Planning Inc.	11-29-01	F-89982	\$160,000
DDC	Rehabilitation of Streets Unit Phase IB-2B2 and Unit 11B	Wilson Okamoto & Associates Inc.	11-29-01	F-90042	\$360,000
DDC	Project Management Services DDC Various Projects	Paren Inc. dba Park Engineering	12-7-01	F-90062	\$150,000
DDC	Rehabilitation of Streets Unit 24	Engineering Concepts Inc.	11-29-01	F-90112	\$150,000
DDC	Kapolei Ambulance Unit Facility	Ink Architects Inc.	11-29-01	F-90122	\$50,000
DDC	Redesign Prototype Bathhouses Comfort Stations and Storage Buildings	Yamasato Fujiwara Higa & Associates Inc.	11-30-01	F-90132	\$292,971
DDC	Archaeological Inventory at Mauna Lahilahi Beach Park	Cultural Surveys Hawaii, Inc.	11-29-01	F-90142	\$68,667
DDC	Canoe Halau Various Parks - Pokai Bay Beach Park	Pacific Architects Inc.	11-30-01	F-90152	\$86,000
DDC	McCoy Pavilion Renovation at Ala Moana Regional Park	Jeffery Nishi & Associates	11-30-01	F-90162	\$28,000
DDC	Maka'unulau Community Park Mililani	Randal S. Furomoto & Associates Inc.	12-12-01	F-90212	\$100,000

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Koko Head Regional Park	Group 70 International, Inc.	12-24-01	F-90222	\$605,000
DDC	Comfort Station and Miscellaneous Improvements Kailua District Park	Danilo D. Lopez Associates	12-12-01	F-90242	\$116,800
DDC	Waianae Regional Park	AMEC Earth & Environmental Inc.	12-11-01	F-90252	\$200,000
DDC	Maili Kai (Kaieka) Community Park	Ink Architects Inc.	12-11-01	F-90262	\$149,000
DDC	Miscellaneous Improvements Recreation District No. 3, Vision	Bryce E. Uyehara AIA Inc.	12-31-01	F-90312	\$32,300
DDC	Bathroom Renovation and Storage Room at Ehukai Beach Park	Matsumoto Santa Maria Architects, Inc.	12-26-01	F-90322	\$25,000
DDC	Moanalua Road Widening	Stanley Yim & Associates Inc.	12-26-01	F-90342	\$100,000
DDC	Installation of Lifeguard Towers	Awa & Associates LLC	12-28-01	F-90352	\$60,000
DDC	Project Management for Rehabilitation/Resurfacing of Streets	KFC Engineering Management Inc.	12-24-01	F-90432	\$150,000
DDC	Manana Community Park Phase II	Urban Works Inc.	12-27-01	F-90462	\$152,700
DDC	Kalihi Street Improvements - Realign and Sidewalks	Stanley Yim & Associates Inc.	12-24-01	F-90472	\$100,000
DDC	Construction Management - Kapalama Incinerator Site Cleanup	KFC Engineering Management Inc.	12-28-01	F-90482	\$300,000
DDC	Park Row Road	R. M. Towill Corporation	12-28-01	F-90502	\$500,000
DDC	Canoe Halau Improvements - Keehi Lagoon	Bill Chang Architect, LLC	12-27-01	F-90512	\$137,000
DDC	Manana Kai Neighborhood Park	NTW Associates, Inc.	12-31-01	F-90522	\$32,000
DDC	Sewer Relief Projects at Kahanahou Circle and Amelia Street	Kwock Associates	12-31-01	F-90532	\$80,000
DDC	Stream Restoration and Maintenance Kaneohe	Wilson Okamoto & Associates	12-31-01	F-90542	\$100,000
DDC	Kaupuni Neighborhood Park	Alan Fujimori, ASIA	12-31-01	F-90562	\$50,000
DDC	North South Road	R.M. Towill Corporation	12-28-01	F-90602	\$500,000
DDC	Kalunawaikaala Watershed Initiative Pupukeya	Oceanit Laboratories Inc.	12-28-01	F-90612	\$300,000
DDC	Rehabilitation of Streets	Limtiaco Consulting Group	12-31-01	F-90622	\$50,000
DDC	Waianae District Park - Miscellaneous Tennis Facility Improvements	Kwock Associates, Inc.	12-31-01	F-90632	\$120,000
DDC	Makaha Beach Park	Kauahikaua & Chun/Architects	12-31-01	F-90652	\$90,000
DDC	Kalihi Street Sidewalk Improvements from Monte Street to Nalanieha Street	Hawaii Pacific Engineers Inc.	12-31-01	F-90662	\$35,000
DDC	Ahuimanu WWTP Headworks Modifications	CH 2 M Hill	12-31-01	F-90672	\$90,000
DDC	Mokauea Street Improvements	Okahara & Associates Inc.	12-31-01	F-90682	\$140,000
DDC	Renovate Existing Bathhouse Building and Site Improvements - Pokai Bay Beach Park	AES Design Group Inc.	12-31-01	F-90692	\$75,000
DDC	Laie and Hauula Miscellaneous Guardrail Improvements, Vision	Hida, Okamoto & Associates, Inc.	12-31-01	F-90722	\$60,000
DDC	Makakilo Neighborhood Park	Leung & Pang Associates Inc.	12-31-01	F-90732	\$50,000
DDC	Discovery Center Complex and Related Improvements Honolulu Zoo	Architects Hawaii Ltd.	1-14-02	F-90742	\$765,000
DDC	Haiku Valley Nature Preserve (Haiku Stairs)	SSFM International Inc.	1-14-02	F-90752	\$300,000
DDC	Honolulu Zoo Master Plan Update Design of Hawaii Island Complex	Yamasato Fujiwara Higa & Associates Inc.	1-3-02	F-90772	\$450,000
DDC	Waikiki Publication Kiosks	Bill Chang Architect LLC	12-31-01	F-90802	\$52,000
DDC	St. Louis Heights Sewer Rehabilitation	Wilson Okamoto & Associates	1-14-02	F-90812	\$881,000

Appendix C

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Rehabilitation of Streets Unit 25	Okahara & Associates Inc.	1-4-02	F-90832	\$150,000
DDC	Anti-Crime Security Cameras - North Shore	Nakamura Oyama And Associates Inc.	12-31-01	F-90842	\$25,000
DDC	Makiki Miscellaneous Sidewalk Improvements, Vision	William Dean Alcon & Associates, Inc.	12-31-01	F-90872	\$100,000
DDC	Kaiaka Bay Beach Park	Alan Fujimori ASLA Landscape Architect	12-31-01	F-90892	\$62,600
DDC	Wireless Communications Master Plan	Cityscape Siting & Management	12-31-01	F-90902	\$100,000
DDC	Wai'alua District Park, Renovate Recreation Building and Miscellaneous Improvements	Lou Chan & Associates Inc.	12-31-01	F-90912	\$50,000
DDC	Reconstruct Wastewater Systems at Various Parks	Engineering Solutions Inc.	1-22-02	F-90942	\$230,000
DDC	Rehabilitation of Streets	Parsons Brinckerhoff Quade & Douglas Inc.	1-22-02	F-90952	\$265,000
DDC	Makiki District Park	Paul Louie & Associates Inc.	1-17-02	F-90962	\$216,500
DDC	Honouliuli Wastewater Treatment Plant (WWTP), New Solids Handling Facilities	GMP Associates	1-22-02	F-90972	\$2,775,000
DDC	Master Plan Sidewalk and Related Facilities Kapiolani Regional Park	Michael T. Miyabara dba Miyabara Associates	12-31-01	F-90982	\$50,000
DDC	Inspection and Appraisal of City Bridges I	Nagamine Okawa Engineers Inc.	1-24-02	F-90992	\$200,000
DDC	Inspection and Appraisal of City Bridges II	KAI Hawaii Inc.	1-24-02	F-91002	\$250,000
DDC	Honolulu Zoo - Commissary and Employee Lounge	Yamasato, Fujiwara, Higa & Associates, Inc.	1-24-02	F-91062	\$308,200
DDC	Waikiki Park and Parking	AM Partners Inc.	2-1-02	F-91112	\$200,000
DDC	Pearl Harbor Historic Trail	Belt Collins Hawaii, Ltd.	2-1-02	F-91132	\$350,000
DDC	Ambulance and Ocean Safety Islandwide Master Plan	AM Partners Inc.	2-6-02	F-91212	\$50,000
DDC	Waipahu Flood Control	Paren Inc., dba Park Engineering	2-5-02	F-91222	\$150,000
DDC	Foster Botanical Garden	CJS Group Architects, Ltd.	3-25-02	F-91272	\$168,000
DDC	Street Improvements - Palolo	Sato & Associates Inc.	2-15-02	F-91282	\$60,000
DDC	Mau'umae Nature Park - Kaimuki	Dana Anne Yee Landscape Architect LLC	3-21-02	F-91302	\$100,000
DDC	Sewer Manhole and Pipe Rehabilitation at Various Locations	Engineering Concepts, Inc.	3-19-02	F-92292	\$421,000
DDC	Piliilaau Community Park, Vision	Anbe, Aruga & Ishizu, Architects, Inc.	3-20-02	F-92312	\$117,800
DDC	Kapiolani Regional Park Archery Range Facility & Miscellaneous Improvements	Kajioka Yamachi Architects, Inc. (Ushijima)	3-25-02	F-92402	\$68,800
DDC	Wanaao Road Reconstructed Sewer	Sato & Associates Inc.	3-25-02	F-92432	\$600,000
DDC	Oneula Beach Park	Wilson Okamoto & Associates	3-25-02	F-92472	\$100,000
DDC	Project Management Services - Rehabilitation of Streets, FY2002B	Parsons Brinckerhoff Quade & Douglas Inc.	4-9-02	F-92562	\$350,000
DDC	Hawaii Kai Roadway Improvements	Engineering Concepts, Inc.	4-19-02	F-92582	\$350,000
DDC	Salt Lake District Park Mauka/Makai	Anbe Aruga & Ishizu Architects Inc.	4-23-02	F-92602	\$250,000
DDC	Salt Lake Blvd. Widening, Phase 2A	Engineers Surveyors Hawaii, Inc.	5-1-02	F-92622	\$2,170,000
DDC	Blaisdell Center Arena Air Conditioning System Upgrade	W. A. Hirai & Associates Inc.	4-30-02	F-92632	\$50,000

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Waiahole Beach Park	R.M. Towill Corporation	5-10-02	F-92702	\$60,000
DDC	Curb Ramps at Various Locations 2001	R. M. Towill Corporation	5-17-02	F-92722	\$2,265,000
DDC	Asing Community Park, Ewa	Jeffery Nishi dba Jeffery Nishi & Associates	5-21-02	F-93202	\$110,000
DDC	Mililani - Replace Existing Street Lighting System	MK Engineers Ltd.	6-3-02	F-93222	\$60,000
DDC	Curb Ramps at Various Locations 2002	Shimabukuro Endo & Yoshizaki	5-17-02	F-93232	\$382,000
DDC	Mililani Mauka District Park	CJS Group Architects, Ltd.	6-3-02	F-93252	\$250,000
DDC	Renovate Ballfields	Akinaka & Associates, Ltd.	6-10-02	F-93282	\$250,000
DDC	Salt Lake Blvd Widening, Phase 2A, Bougainville Drive to Maluna St.	Akinaka & Associates, Ltd	6-14-02	F-93292	\$300,000
DDC	Renovate Recreational Facilities	Kajioka Yamachi Architects, Inc.	7-2-02	F-93352	\$300,000
DDC	Waikiki and Kapiolani Park	Lester H. Inouye & Associates Inc.	7-22-02	F-93412	\$150,000
DDC	Kamehame Ridge Mokuahano Street Drainage Improvements 2003	Engineering Solutions	9-27-02	F-94123	\$50,000
DDC	Vision - Kahuku District Park	Ronald N.S. Ho & Associates, Inc	10-14-02	F-94173	\$85,000
DDC	Small Mainline and Lateral Project	Parsons Brinckerhoff Quade & Douglas Inc.	10-22-02	F-94183	\$185,000
DDC	Kaomaaiku Neighborhood Park, New Storage Building and Parking Lot Addition	Architects Hawaii Limited	10-22-02	F-94233	\$42,000
DDC	Moanalua Community Park	Danilo D. Lopez Associates, Inc.	10-29-02	F-94283	\$54,700
DDC	Energy Conservation Improvements - Vending Machine Misers	MK Engineers Ltd.	10-29-02	F-94803	\$48,671
DDC	Central Oahu Aquatics Center	Ink Architects Inc.	8-22-02	F-94813	\$750,000
DDC	Community Ballroom/Art Center	Kodama Okamoto Architects, Inc.	12-30-02	F-94843	\$750,000
DDC	Renovation McCoy Pavilion Banyan Court - Ala Moana Park	Yamasato, Fujiwara, Higa & Associates, Inc.	11-4-02	F-94853	\$33,900
DDC	Renovate Recreational Facilities at Halawa District Park	Anbe Aruga & Ishizu Architects, Inc.	12-2-02	F-94883	\$185,300
DDC	Haleiwa Miscellaneous Signage/Marker Improvements, Vision	Ushijima Architects, Inc.	11-14-02	F-94893	\$46,000
DDC	Renovate Recreational Facilities at Pearl City District Park	Awa & Associates LLC	11-14-02	F-94903	\$85,000
DDC	Kailua Beach Park	Belt Collins Hawaii, Ltd.	11-14-02	F-94913	\$94,000
DDC	Mapunapuna Drainage Improvements	Akinaka & Associates Ltd.	11-19-02	F-94933	\$100,000
DDC	Makiki Beautification	LP&D Hawaii	12-2-02	F-95033	\$25,000
DDC	Acacia Road Widening	Engineering Concepts Inc.	12-5-02	F-95303	\$100,000
DDC	Miscellaneous Guardrail Improvements at Various Locations	Hida Okamoto & Associates	12-18-02	F-95373	\$30,000
DDC	Harbor Village - 2nd Floor Office Interior Improvements	Next Design, LLC	1-28-03	F-95393	\$60,000
DDC	Construction Management Ala Wai Community Park Clubhouse Renovation	Graham Murata Russell	1-23-03	F-95443	\$50,000
DDC	Miscellaneous Wastewater Treatment Plant and Pump Station Projects	Kim & Shiroma Engineers Inc.	12-31-02	F-95453	\$450,000
DDC	Program Management for Rehabilitation of Streets, FY2002-03	Parsons Brinckerhoff Quade & Douglas, Inc	2-3-03	F-95463	\$400,000
DDC	Construction Management Services Various Canoe Halau Projects	KFC Engineering Management Inc.	1-28-03	F-95473	\$190,000

Appendix C

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Construction Management Pearl Harbor Historic Trail	Santo Engineers LLC	1-28-03	F-95543	\$30,000
DDC	Manana Infrastructure and Drainage Improvements	Engineering Concepts Inc.	1-27-03	F-95573	\$250,000
DDC	Construction Management Lunalilo Home Road	Lyon Associates, Inc	1-27-03	F-95703	\$100,000
DDC	Ka Uka Boulevard Connector Road	Hawaii Pacific Engineers Inc.	1-27-03	F-95743	\$270,000
DDC	Kapiolani Boulevard Sewer Siphon Reconstruction At Manoa/Palolo Stream	URS Corporation	1-27-03	F-96093	\$80,000
DDC	Anti-Crime Security Cameras - Ala Moana	Nakamura Oyama & Associates Inc.	1-28-03	F-96103	\$39,240
DDC	Police Headquarters Communication Center Improvements	Bennett Engineers Inc.	1-28-03	F-96113	\$45,200
DDC	Inspection and Appraisal of City Bridges, FY2002-03	Shigemura, Lau, Sakanashi, Higuchi & Associates	1-29-03	F-96133	\$250,000
DDC	Construction Management - Miscellaneous Sidewalk Improvements	Parsons Brinckerhoff Quade & Douglas	3-17-03	F-96143	\$300,000
DDC	Lualualei Homestead Road Improvements	Engineers Surveyors Hawaii Inc.	1-27-03	F-96153	\$150,000
DDC	Kamehameha Highway Improvements	Kim & Shiroma Engineers Inc.	1-27-03	F-96173	\$337,294
DDC	Reconstruct and Refurbish Playcourts in Recreation District 4	Shimabukuro Endo & Yoshizaki, Inc.	1-28-03	F-96203	\$75,000
DDC	Construction Management Services Miscellaneous Bikeway Projects - Ala Wai Mauka and Waialae Bikeway	Michael K. H. Yee	1-28-03	F-96283	\$35,000
DDC	Construction Management Services for Traffic Improvements Various Locations IV	R. M. Towill Corporation	1-28-03	F-96553	\$40,000
DDC	Construction Management Services for Traffic Calming Improvements	Sato & Associates Inc.	1-28-03	F-96563	\$95,000
DDC	Construction Management Services for Traffic Calming Improvements	KAI Hawaii Inc.	1-28-03	F-96573	\$105,000
DDC	Makaha Community Park, Vision	Akinaka & Associates Inc.	4-15-03	F-97173	\$85,000
DDC	Maili Community Park, Neighborhood Board (NB)	NTW Associates Inc.	4-17-03	F-97193	\$35,000
DDC	Kalo Place Mini Park	Lester H. Inouye & Associates, Inc.	4-4-03	F-97203	\$100,000
DDC	Waianae Valley Master Plan, Vision	Oceanit Laboratories, Inc.	4-10-03	F-97213	\$50,000
DDC	Koolauloa Regional Park Master Plan, Vision	Hawaii Design Associates, Inc.	4-14-03	F-97223	\$150,000
DDC	Pacific Palisades Community Park, Neighborhood Board, NB	Alpha Engineers Inc.	4-15-03	F-97233	\$50,000
DDC	Pearl Harbor Historic Trail, Vision	Belt Collins Hawaii Ltd.	4-10-03	F-97243	\$60,000
DDC	Enchanted Lake Community Park, NB	Santo Engineers LLC	4-16-03	F-97253	\$40,000
DDC	Lehua Community Park, NB	Engineering Solutions Inc.	4-15-03	F-97263	\$50,000
DDC	Palolo District Park - Irrigation, NB	USI-Hawaii Inc.	4-15-03	F-97273	\$60,000
DDC	Manoa Valley District Park Master Plan, Vision/NB	Awa & Associates LLC	4-15-03	F-97283	\$175,000
DDC	Ehukai Beach Park Improvements, NB	Jeffery Nishi & Associates Inc.	4-15-03	F-97573	\$192,000
DDC	Waimanalo Green Belt, Vision	Wilson Okamoto & Associates Inc.	4-14-03	F-97593	\$150,000
DDC	Leeward Amphitheater, Vision	Group 70 International Inc.	4-17-03	F-97603	\$150,000
DDC	Koolau Greenbelt Heritage Trail, Vision	Wil Chee Planning Inc.	4-17-03	F-97613	\$50,000
DDC	Bridge Rehabilitation Salt Lake Boulevard over Halawa Stream	KAI Hawaii Inc.	4-17-03	F-97623	\$150,000

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DDC	Energy Conservation Improvements Replacement of Lamps and Ballast at Various City Facilities, Phase III	ECS, Inc.	4-15-03	F-97633	\$46,000
DDC	Sheridan Community Park Improvements, NB	Nakahira Associates Inc.	4-17-03	F-97653	\$50,000
DDC	McCully/Moiliili Area Skate Facility, Vision	Bryce E. Uyehara, AIA, Inc.	4-17-03	F-97683	\$50,000
DDC	Kahaluu Regional Park, Vision	R. M. Towill Corporation Inc.	4-22-03	F-97773	\$59,000
DDC	Kuhio Avenue Master Plan, Vision	Lester H. Inouye & Associates Inc.	5-5-03	F-97833	\$50,000
DDC	Koko Head District Park Community Center Renovations	Ink Architects Inc.	5-1-03	F-97843	\$100,000
DDC	Waiau District Park, Vision	Fukunaga & Associates Inc.	5-5-03	F-97853	\$300,000
DDC	Renton Road - Sewer and Manhole Rehabilitation	Hawaii Pacific Engineers, Inc.	5-28-03	F-97883	\$589,000
DDC	Rehabilitation of Streets, Various Locations, FY2002-03	Austin Tsutsumi & Associates	5-28-03	F-97913	\$275,000
DDC	Bridge Rehabilitation - Kamehameha Highway Bridge Over Anahulu Stream	Nagamine Okawa Engineers Inc.	5-28-03	F-98003	\$325,430
DDC	Bus Rapid Transit - Iwilei to Waikiki Alignment	Parsons Brinckerhoff Quade & Douglas	5-29-03	F-98013	\$4,000,000
DDC	McCully District Park - Structural Analysis of Gym and Pool	NTW Associates, Inc.	6-1-03	F-98613	\$118,000
DDC	Waimanalo Ahuapuaa Watershed Comprehensive Plan, Vision	Environet Inc.	6-17-03	F-98823	\$300,000
DDC	Waimanalo All Parks Master Plan, Vision	AES Design Group Inc.	6-30-03	F-98833	\$200,000
DDC	Waimanalo Sewer Rehabilitation	Engineering Solutions Inc.	6-30-03	F-98853	\$261,000
DDC	King Street Improvements, Vision	Wilson Okamoto & Associates	7-25-03	F-98893	\$292,000
DDC	Miscellaneous Sidewalk Improvements - Chinatown Puohala Pua Inia, NB	Austin Tsutsumi & Associates Inc.	6-30-03	F-98903	\$165,000
DDC	Miscellaneous Sidewalk Improvements - Keaumoku Makiki to Keeaumoku Pauoa Lusitana Kanealii, NB	Shimabukuro Endo & Yoshizaki Engineers Inc.	6-30-03	F-98913	\$145,000
DDC	Kahaluu Multi-Purpose Building, NB	Kauahikaua & Chun Architects	7-1-03	F-98973	\$30,000
DDC	Honouliuli WWTP Upgrade	Engineering Concepts, Inc.	7-9-03	F-98993	\$441,000
DDC	Wahiawa Botanical Gardens - New Pavillion and Parking Lot	Stringer Tusher Architects, AIA, Inc.	6-30-03	F-99033	\$200,000
DDC	Waimanalo Community Center and Museum, Vision	Kauahikaua & Chun Architects	7-15-03	F-99063	\$75,000
DDC	Miscellaneous Sidewalk Improvements - Ewa, Wahiawa and West Loch, NB	Santo Engineers LLC	7-17-03	F-99293	\$155,000
DFM	Financial Audits of City-Owned Rental Properties	Nishihama & Kishida CPA's Inc.	6-18-02	N/A	\$120,300
DIT	Oracle Database Support - Integrated Revenue Information System (IRIS)	Rare & Dear	6-4-02	C-93382	\$50,000
DIT	Technical Consulting with Microsoft Products and Technologies	Microsoft Corporation	6-27-02	C-93582	\$60,000
DIT	Technical Consulting and Programming Support Services in Implementing City's E-Commerce	Hawaii Information Consortium	7-12-02	C-93622	\$80,000
DIT	Oracle Database Consultant	Oracle Corporation	5-15-03	C-97953	\$47,250
DIT	Assessment of Fiberoptic Communication Alternative	CH 2 M Hill	8-6-01	F-86992	\$100,000

Appendix C

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DIT	Strategic Master Plan for Wireless Data Communications	RCC Consultants Inc.	6-30-03	F-98883	\$200,000
DPP	Kamanele Master Plan	Lester H. Inouye & Associates	12-24-03	F-27094	\$100,000
DPP	Waimanalo Business Plan	Fung Associates	12-29-03	F-27104	\$100,000
DPP	Facility Data Conversion Services	US Infrastructure Hawaii Inc.	12-29-03	F-27164	\$555,000
DPP	GIS Tax Plat Data Conversion	Environmental Systems Research Institute (ESRI)	1-5-04	F-27474	\$321,000
DPP	Homeland Security Data Compilation	EMA Inc.	3-4-04	F-27494	\$100,000
DPP	Chinatown Revitalization Project, Vision	CJS Group Architects, Ltd	7-2-01	F-85781	\$50,000
DPP	Parks Information and Mapping System (PIMS)	Environmental Company	12-27-01	F-90452	\$75,000
DPP	Storm Drain System GIS Database and Application Program	CH 2 M Hill	12-31-01	F-90762	\$75,000
DPP	Building Footprint Geo Database	US Infrastructure Hawaii Inc.	12-30-02	F-95483	\$100,000
DPP	Korean Cultural and Community Center	Gerald Park Urban Planner	1-6-03	F-95673	\$125,000
DPP	GIS Data Integration and Programming Services	GEO Insight International Inc.	1-22-03	F-95723	\$119,129
DPP	GIS Tax Plat Automation Program	Environmental Systems Research Institute (ESRI)	1-22-03	F-95733	\$448,000
DPP	Chinatown Action Plan	CJS Group Architects, Ltd.	1-28-03	F-96073	\$1,500,000
DPP	Makiki Neighborhood Plan	Plan Pacific Inc.	1-27-03	F-96213	\$50,000
DPP	Revisions to the City Drainage Standards Rules	URS Corporation	8-22-02	not available	\$145,000
DPR	Agronomics Consultant	CM&M Sport Turf Hawaii (Logan P. Hamoccon dba)	3-7-02	F-92352	\$44,000
DPR	Urban Restoration Master Plan	Outdoor Circle	1-28-03	F-96583	\$190,000
DTS	Computerized Traffic Control System, Phase VI	Nakamura, Oyama & Associates, Inc	5-18-04	C-29254	\$158,556
DTS	High Tech Bus Pass Smart Card - Develop Specifications	Booz Allen & Hamilton Inc.	8-12-02	F-01063	\$232,687
DTS	Traffic Signals at Various Locations, Phase IV	Parsons Brinckerhoff Quade & Douglas	9-10-02	F-01103	\$109,500
DTS	Waipio Point Access Road Improvements Study	Parsons Brinckerhoff Quade & Douglas	8-5-03	F-25584	\$150,000
DTS	Middle Street Intermodal Center	Urban Works Inc.	10-10-03	F-26294	\$2,990,000
DTS	Kaimuki Business District - Parking Master Plan	Urban Works Inc.	10-8-03	F-26304	\$75,000
DTS	Traffic Calming Improvements	Limtiaco Consulting Group Inc.	1-27-04	F-26464	\$50,000
DTS	Kaonohi Street /Moanalua Road Intersection Improvements	Fukunaga & Associates Inc.	11-20-03	F-26874	\$50,000
DTS	Lanikai Triangle Park	Kwock Associates, Inc.	12-29-03	F-26894	\$40,000
DTS	Traffic Calming Improvements	Paren Inc. dba Park Engineering	1-21-04	F-26924	\$246,000
DTS	Traffic Calming Improvements Various Locations	Engineers Surveyors Hawaii Inc.	1-28-04	F-26994	\$508,000
DTS	Architectural Services BRT Iwilei to Waikiki Alignment	Group 70 International Inc.	1-5-04	F-27304	\$995,000
DTS	Traffic Improvements at Various Locations	Gray Hong Nojima & Associates, Inc.	1-21-04	F-28034	\$300,000
DTS	Transit Center at Haleiwa	Architects Hawaii Inc.	1-21-04	F-28064	\$200,000
DTS	Traffic Improvements at Various Locations	KAI Hawaii Inc.	1-21-04	F-28084	\$127,000

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DTS	Waianae Coast Alternative Route - Construction Management	Sato & Associates, Inc.	1-21-04	F-28104	\$348,000
DTS	Miscellaneous Bikeway Projects	TM Designers, Inc.	1-20-04	F-28134	\$90,000
DTS	Traffic Calming Improvements	Mitsunaga & Associates, Inc.	1-21-04	F-28154	\$170,000
DTS	Construction Management Services for Mililani Transit Center	TM Designers, Inc.	5-25-04	F-31264	\$160,000
DTS	Waikiki Livable Community Project	Wilson Okamoto & Associates Inc.	12-31-01	F-86082	\$464,640
DTS	Ala Wai Blvd. Pedestrian/Bicycle Improvement (Mauka Side)	Sam O. Hirota, Inc.	8-16-01	F-86462	\$255,000
DTS	Young Street Park Boulevard Master Plan	Belt Collins Hawaii Ltd.	8-16-01	F-86492	\$191,835
DTS	Bus Bay Improvement Project	Sam O. Hirota Inc.	10-11-01	F-87462	\$64,250
DTS	Primary Corridor Transportation Regional Bus Rapid Transit	R. M. Towill Corporation	11-14-01	F-88272	\$1,970,000
DTS	Primary Corridor In-Town Bus Rapid Transit	SSFM International Inc.	11-14-01	F-88282	\$2,170,000
DTS	Miscellaneous Bikeway Projects Kalakaua Avenue and Paki Avenue	Engineering Concepts Inc.	11-30-01	F-88582	\$350,000
DTS	Miscellaneous Bikeway Projects	Akinaka & Associates Ltd.	11-30-01	F-89972	\$470,000
DTS	Miscellaneous Bikeway Projects, Young Street Park Boulevard and Bike Way	Parsons Brinckerhoff Quade & Douglas Inc.	11-30-01	F-89992	\$400,000
DTS	Traffic Improvements at Various Locations, Phase IV	Engineers Surveyors Hawaii Inc.	11-29-01	F-90002	\$450,000
DTS	Traffic Calming Programs at Various Locations	Limtiaco Consulting Group	11-30-01	F-90012	\$570,000
DTS	Mililani Park and Ride	Weslin Consulting Services Inc.	11-29-01	F-90022	\$100,000
DTS	Traffic Improvement at Various Locations Kailua Kohou Mililani	SSFM International Inc.	11-30-01	F-90052	\$115,000
DTS	Middle Street Transit Plan Transit Center	Glenn T. Kimura dba Kimura International	1-23-02	F-90442	\$270,000
DTS	Bus Stop Accessibility Improvement Project Phases II and III	Lyon Associates, Inc.	5-6-02	F-90572	\$380,000
DTS	Dillingham Boulevard Transit Improvements	SSFM International Inc.	12-31-01	F-90712	\$1,440,000
DTS	Traffic Calming Improvements Construction Management	Sato & Associates Inc.	12-31-01	F-90782	\$100,000
DTS	Manana Sub-Area Traffic Study	Wilson Okamoto & Associates Inc.	2-5-02	F-90822	\$80,000
DTS	Traffic Calming Speed Control Program Phase II	Austin Tsutsumi & Associates Inc.	1-23-02	F-90852	\$300,000
DTS	Traffic Calming Phase II	Hawaii Pacific Engineers Inc.	1-24-02	F-90862	\$300,000
DTS	Traffic Calming Speed Control Program Phase II	Parsons Brinckerhoff Quade & Douglas Inc.	1-23-02	F-90882	\$300,000
DTS	Alapai Transportation Services	Group 70 International, Inc.	1-14-02	F-90922	\$400,000
DTS	Kaimuki Master Plan Improvements	Gray Hong Bills Nojima & Associates	1-14-02	F-90932	\$300,000
DTS	Bus Bays At Various Locations Phase 1	Lyon Associates Inc.	2-6-02	F-91232	\$89,500
DTS	Traffic Calming Improvements in Districts I, II, V, VII, and IX	R.M. Towill Corporation	3-21-02	F-92372	\$350,000
DTS	Keolu Traffic Safety Project and Keolu Drive Traffic Calming Near Wanaao Road	Engineering Concepts	5-13-02	F-92662	\$100,000
DTS	Kaluanui Road Traffic Calming Study, Pohaku Traffic Calming/Beautification, Pua Inia/Puohala, and West Hind/Kiholo Street	Lyon Associates, Inc	6-10-02	F-93262	\$156,000

Appendix C

DEPT	DESCRIPTION OF PROFESSIONAL SERVICES PROCUREMENT	CONSULTANT	AWARD DATE	CONTRACT NUMBER	AMOUNT
DTS	Transit Center Development (Plan-Design) at Various Locations - Pearl City, Kailua & Kaneohe	Urban Works Inc.	10-7-02	F-94113	\$200,000
DTS	Waianae Coast Emergency Access Road	Gray, Hong, Bills, Nojima & Associates	11-14-02	F-94293	\$858,000
DTS	Construction Management - Waianae Coast Alternate Route	Sato And Associates, Inc.	1-29-03	F-96183	\$400,000
DTS	Bus Bays at Various Locations Phase II	Lyon Associates Inc.	3-18-03	F-96753	\$70,000
DTS	Bus Stop Site Improvements FY2003-04	Engineering Concepts Inc.	7-2-03	F-99003	\$105,733
ENV	NPDES Public Education Program Calendar Year 2002	Limtiaco Company	6-17-02	C-93302	\$169,724
ENV	Lagrangian Current Monitoring Study	Sea Engineering, Inc.	6-28-02	C-93562	\$250,000
ENV	Legal Services for Bankruptcy in Covanta Honolulu Resource Recovery Venture	Williams Mullen	6-30-03	C-99043	\$150,000
ENV	Landfill Selection Committee and Environmental Documents	R. M. Towill Corporation	7-9-03	C-99113	\$300,000
ENV	NPDES Public Education Program for FY2004	Limtiaco Company	7-16-03	C-99163	\$155,207
ENV	Update 1995 Solid Waste Integrated Management Plan	Pacific Waste Consulting Group	6-9-03	C-99173	\$100,000
ENV	Public Outreach Program, FY2003-04	Hastings And Pleadwell	7-21-03	C-99183	\$300,000
ENV	Sand Island WWTP and Ala Moana Wastewater Pump Station Soil Remediation Project	Environet	7-24-03	C-99553	\$250,000
ENV	In-Vessel Bioconversion Facility, Construction Management Services	KFX Engineering Management Inc.	11-7-03	F-26484	\$728,075
ENV	Structural Best Management Practices for Storm Drain Outlets - Waikiki Beach	Wilson Okamoto Corporation	1-21-04	F-27984	\$200,000
ENV	Plasma Arc Study	R. W. Beck Inc.	10-4-02	F-94163	\$100,000
ENV	In-Vessel Bioconversion Facility Study, Change Order 1	C. H. Guernsey & Company	8-8-03	F-97723	\$50,000
HPD	Expansion of Scientific Investigation Section	Health Education & Research Association	2-16-04	C-28514	\$45,000
OCDA	Update City Emergency Operations Plan and Terrorism Incident Annex	Martin & Chock Incorporated	1-28-04	C-27424	\$100,000
OCDA	Comprehensive Multi-Hazard County Mitigation Plan	Martin & Chock, Inc.	5-27-03	C-97693	\$100,000
OCDA	Project Impact Pre-Disaster Mitigation Program Design	Scott Clawson	4-17-03	C-97743	\$60,000

Source: Department of Budget and Fiscal Services, Purchasing Division
See Appendix D for Description of Department Code

Appendix D
Description of Department Codes

BFS	Department of Budget and Fiscal Services
COR	Department of Corporation Counsel
CSD	Department of Customer Services
DCS	Department of Community Services
DDC	Department of Design and Construction
DES	Department of Enterprise Services
DFM	Department of Facility Maintenance
DHR	Department of Human Resources
DIT	Department of Information Technology
DPP	Department of Planning and Permitting
DPR	Department of Parks and Recreation
DTS	Department of Transportation Services
ENV	Department of Environmental Services
ESD	Honolulu Emergency Services Department
HFD	Honolulu Fire Department
HPD	Honolulu Police Department
MDO	Office of the Managing Director
OCDA	Oahu Civil Defense Agency
PAT	Department of Prosecuting Attorney

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Response of Affected Agency

Comments on Agency Response

We transmitted a draft of this report to the Department of Budget and Fiscal Services on February 14, 2005. A copy of this transmittal letter is included as Attachment 1. At our exit conference, we informed the acting director of budget and fiscal services that they would have ten workdays to prepare its written response to the draft report. On February 18, 2005, the acting director requested an extension to submit its response. The city auditor granted the department an extension to March 4, 2005, to submit its request. The response of the department is included as Attachment 2.

In its response, the Department of Budget and Fiscal Services indicated that it solicited and incorporated feedback from all departments and agencies involved in the audit. Furthermore the department noted that the draft report contained many inaccuracies and missing facts that have a significant impact on the conclusions. We disagree.

The principles of public procurement, the provisions of the state procurement code, and city procurement policy of fair and open competition, public notice, and proper documentation to promote government transparency and prevent arbitrariness, favoritism, or fraud should be the core theme of the department's procurement policies and practices. The department's response provided some clarifying information, and changes, where appropriate, were made to the final report. However despite the assertion of many inaccuracies and missing facts, none of the comments provided to us in the department's response changed the substance of our findings. Some of the responses were misinterpretations of the actual draft report text. Moreover, some of the responses included information contradictory to that provided to us in interviews and what we were able to find in the procurement files during our fieldwork. In addition, the department did not comment on our finding related to improper procurement practices.

In the following sections, we address the significant issues in the department's response regarding specific procurements evaluated in the report.

In its response, the department maintains that the sole source contract award for workers' compensation medical bill auditing and payment

services was appropriate. The department noted that the state workers compensation division administrator indicated that a summary paragraph in our draft report was inaccurate, but did not identify the summary paragraph or the *inaccurate* information. The reason we contacted the state office was to determine whether *only one* workers' compensation vendor exists in Hawai'i as purported by the city. The administrator in the state office we spoke with reported to us that it evaluated the responses of three workers' compensation vendors, including the vendor used by the city. Since the state's method of procurement for its workers' compensation services was outside the scope of this audit, we are unable to comment on the procurement method used by the state and have removed any reference to competitive procurement from the text. However we contacted the local offices of the two workers compensation vendors not used by the city regarding their medical bill auditing and payment services and learned that both firms met with the city workers' compensation program to market their workers' compensation services to the city, only to be told that the city is under contract with another firm. Both firms indicated an interest in bidding for such services should the city put the contract out to competitive bid. Since there is more than one vendor capable of providing workers' compensation medical bill auditing and payment services in Hawai'i, the city's use of sole source procurement was improper. The city's lucrative contract for workers' compensation medical bill auditing and payments services, estimated to cost around \$384,000 annually, should be competitively bid in accordance with procurement rules and regulations.

The acting director of human resources also noted that the report did not mention that the current workers' compensation contractor has saved the city \$9 million over the past five years and those savings support the use of a sole source contract. We disagree. When we met with the city's division administrator during our fieldwork, he reported that the current firm saves the city about \$1 million each year. While the division made available *some* of the contractor's reports on savings, we cannot substantiate the \$9 million in savings over the past five years as reported by the department in its comments on the draft audit report. Therefore, we added the estimated \$1 million in savings to the report. Regardless of the savings estimates, these services appear to provide a significant benefit to the city. Nevertheless, without actual comparative information from competing workers' compensation firms, the human resources department has no basis for ascertaining the competence of the current savings; and its continued defense of sole source procurement for these services is a cause for concern and warrants further oversight.

In addition, we are unable to comment on the department's assertions on the procurement methods used by other state and counties it contacted only to note that the city's procurement needs to stand on its merits in meeting compliance with the state procurement code. However we have knowledge that the acting human resources director's comment in the department's response regarding the state auditor's office non-competitive procurement of similar workers' compensation services is false. The city auditor, in his previous position as the deputy state auditor personally handled the procurement of medical bill auditing services under Hawai'i's workers' compensation law for that office using a competitive small purchase process permitted under the state procurement code. To imply that the state auditor (Marion Higa) procured such services without competition is untrue.

Regarding the city's sole source procurement of litter receptacles, the department's comment that it is unaware of any law or rule that requires the city to purchase products just based [sic] on lowest price is erroneous. Our draft report makes no assertion that the lowest price must be the basis for such procurements. Furthermore, we note that the department's reference to the Hawai'i Administrative Rules (HAR) Section 3-122-81, identifying proprietary items and compatibility to existing equipment, are preceded by the following statement:

“Justification for a sole source purchase must establish that the good service, or construction has a unique feature, characteristic, or capability **essential** to the agency to accomplish its work and is available from **only one** supplier or source.”

In its response, the department continues to defend its sole source procurement of litter receptacles (trashcans). Since many companies manufacture litter receptacles, we find it difficult to comprehend how the city can justify the sole source purchase of expensive litter receptacles based on aesthetic purposes and that such purchase is essential to the departments of design and construction, facility maintenance, or transportation services to accomplish their work. Had the city procured these items competitively based on performance specifications, the city could have easily purchased these litter receptacles at half the cost, thereby saving taxpayers around \$300,000. We continue to contend that this purchase was improper and costly.

In addition, the department asserts that the city's use of CIP funds to purchase litter receptacles (costing between \$598 to \$773 per receptacle) complies with the city's debt policy since it allows the use of

capital funds to purchase equipment whose individual cost is less than \$5,000 if aggregated and made an integral part of a project costing \$25,000 or more. However we question the department's purchase of litter receptacles for bus stop site improvements. The department noted that the receptacles were purchased as part of the FY2001-02 Executive Capital Improvement Program Budget. We note that the project description indicates that the bus stop site improvements would include, but not be limited to shelter installation, repairs, and the purchase and installation of benches and trash receptacles at various Central and North Shore communities. Thus, the trashcans were not an integral part of a specific project. Of concern are the abuse of the debt policy and the unnecessary use of CIP funds for small equipment. We maintain that using borrowed funds to purchase expensive litter receptacles increases the cost of these items through additional debt service related costs. This purchase was in direct violation of the city's CIP policy that was established to protect against such callous use of borrowed funds for the purchase of small equipment.

Another sample procurement we reviewed was the sole source and non-competitive procurement of the rainbow appliqué for the city's transit buses. The department claims that restrictive specifications were not used in the procurement of rainbow appliqué for the city's transit buses and that bidders can offer alternate brands or material. This is contrary to the detailed requirements in the city's request for proposals listed in the report text. The purpose of this discussion is that procurement specifications should be written broadly to encourage, rather than limit competition.

During fieldwork, transportation services informed us that the city had ordered a fleet of ten hybrid-electric buses and that these buses would be decorated with the rainbow appliqué. However, a last minute change by the city administration in the summer of 2004, changed the exterior bus design from the original rainbow design appliqué to a gray color paint design that cost the city an additional \$21,771 for each bus. In its response, the department did not address the finding only to note that the Department of Transportation Services canceled the contract amendment to purchase additional hybrid-electric buses. Since this change occurred subsequent to the completion of our fieldwork, we revised the text in our report accordingly.

In another procurement example noted in our draft report, the department maintains that the non-competitive award to an organization to provide services for Brunch on the Beach was justified. Contrary to

the department's assertion that the legal opinion provides sufficient justification for the exempt procurement, the report text clearly explains the insufficiency of simply stating that it is *not practicable and not advantageous* without providing any explanation. The coordination services provided by this organization were not unique, such as distributing flyers and posters to market the events and managing ticket sales for the food vendors, and that it is likely that more than one vendor would have submitted a bid if the city had used a competitive procurement process. The city ignored the procurement law when it awarded this contract without securing competitive bids.

On a positive note, we are pleased that the department expressed an interest into the possibility of posting the city's sole source notices on its website. Two vendors we contacted noted that it would be more convenient to check the city's website for sole source notices, since they would not know when to check for sole source notices posted at City Hall and that parking is inconvenient. As noted in our report, the electronic posting of sole source notices is not required under the procurement law, but such postings would provide greater access to vendors, the council and taxpayers, and provide improvements in the oversight and accountability of the city's procurement practices.

In its response to the discussion of the city's emergency procurement of a project coordinator to oversee the implementation of its new integrated revenue information system, the department maintains that the need for a replacement project coordinator met the requirements for emergency procurement. It noted that Section 103D-307, HRS, emergency procurement, allows for this method of source selection when *one of the three conditions exists*—with the *functioning of government will be hindered* as one of the conditions permitted under the law. However a careful reading of Section 103D-307(a), HRS, *emergency procurement* states:

“The head of a purchasing agency may obtain a good, service, or construction essential to meet an emergency by means other than specified in this chapter **when the following conditions exist...**”

The department's response did not include any new information pertinent to the statutory requirements that a threat to health, safety, welfare or life were applicable in this specific emergency procurement. The department disagreed that the need for a replacement project manager was not known well in advance, noting that it was only on July 6, 2001 that it

decided to terminate the contract of this individual. However during fieldwork, the Treasury Division administrator informed us that the city had about two months notice that the first project coordinator was going to leave. We added the statement on two months notice to the report text and amended our draft report to use the words *contract* and *termination* to reflect the use of a personal services contract, as suggested by the department.

During our fieldwork, we note that the treasury administrator's project file did not contain any information documenting the city's difficulties with first project coordinator. We inquired about the missing documents pertaining to the first project coordinator only to be informed by the division administrator that the contract was completed and she discarded her *working* files and purged her electronic documents pertaining to the contract with the first project manager. As a result, we were not able to verify whether the circumstances met the threat to health, safety, welfare or life, or the timeline for the cancellation of the first project coordinator's contract that led to the department's request to procure the services of a second project coordinator using the emergency procurement. Nevertheless, as stated in the report, the use of emergency procurement for a replacement project manager was inappropriate and does not meet the need for a replacement project coordinator under the statutory requirement of a threat to the health, safety, welfare or life.

The department noted in its response that the Hawai'i Administrative Rules, Section 3-122-90(c) requires that purchase orders be issued for emergency purchases. On the contrary, the administrative rules do not require the city to use purchase orders for *all* emergency procurements. The reference refers to the preparation of a confirming purchase order, to document agreements, including price, made orally with a contractor. This should not be construed as requiring the city to use purchase orders for emergency procurements. The state procurement code authorizes departments to respond immediately to an emergency and submit documentation for emergency procurement approval as soon as practicable. The use of a confirming purchase order is an accounting procedure to properly document and maintain control over procurement activities. We note that there were two emergency procurements processed through contracts among the random sample we reviewed.

The purpose of discussing the use of purchase orders versus contracts was to raise awareness of the relative safeguards when used for city procurements. Additionally, it is beneficial for the city to always seek

safeguards and warranties whenever possible to protect the city's interests.

Contrary to the department's statement, we returned the department's phone call and left messages in response to the department's request for information. However we did not receive any response by the department to our phone messages until sometime after the department submitted its response to the draft report. We offered to provide the information to a department representative regarding their request for information on the emergency procurement files we found with missing documentation, and expressed openness for further assistance.

Regarding to the procurement of professional services, the department notes that the inclusion of narratives in the selection process is not required by statute and is not used as a deciding factor in the selection. We clarified that the use of the term, narrative, to refer to the summary of qualifications, and any other pertinent information which may be available to the agency and used to evaluate the individuals or vendors against the selection criteria. We also make note and have added to our report that Section 103D-304(g), HRS, states:

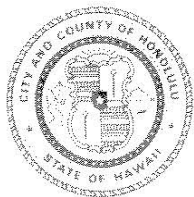
“The selection committee shall rank a minimum of three persons based on the selection criteria and send the ranking to the head of the purchasing agency. The contract file shall contain a copy of the summary of qualifications for the ranking of each of the persons provided to the head of the purchasing agency for contract negotiations.”

Our use of the term, *narrative*, was to refer to the summary of qualifications and any other documentation to support the ranking of qualified persons or firms that may be provided to the agency head for the negotiation process. We also note that the draft report text makes no reference to a *deciding factor* as mentioned in the department's response on this matter.

Furthermore in the attachments to the department's response, the acting corporation counsel provided new information on their department's procurement practices for the award of professional services contracts, as well as a sample document unavailable from the previous corporation counsel and not found in the city's official procurement files maintained by the Department of Budget and Fiscal Services. The acting corporation counsel attributes the discussion regarding violations of the state procurement code to *narratives*. However, nowhere in the report

text do we state that the lack of narratives violates the state procurement code. Rather, the text clearly states, in detail, that the corporation counsel has not complied with the electronic posting requirements required by Act 141, SLH 2000, and the draft text has been adjusted to help clarify this information. However, the acting corporation counsel reports in the department's response that it will fully comply with the statutory electronic posting requirements.

Lastly, the department notes that the city follows *basic business protocol* when interacting with outside auditors and will continue using this protocol. It maintains that it has fully cooperated with the city auditor's requests. We disagree with the depiction that there was full cooperation during this audit. While many whom we contacted were helpful, we encountered blatant efforts to deny access to city employees and city documents during our fieldwork. We are disappointed with the department's response that continues to support the previous administration's *ad hoc* restrictions or *basic business protocol* as it relates to outside auditors even though it violates the city charter provisions which authorizes the city auditor the full, free, and unrestricted access to any city officer, employee, and to examine any record of any agency or operation of the city.



LESLIE I. TANAKA, CPA
CITY AUDITOR

OFFICE OF THE CITY AUDITOR
CITY AND COUNTY OF HONOLULU
1000 ULUOHIA STREET, SUITE 313, KAPOLEI, HAWAII 96707 / PHONE: (808) 692-5134 / FAX: (808) 692-5135

COPY

February 14, 2005

Ms. Mary Patricia Waterhouse
Director
Department of Budget and Fiscal Services
530 South King Street, Room 208
Honolulu, Hawaii 96813

Dear Ms. Waterhouse:

Enclosed for your review are two copies (numbers 12 and 13) of our confidential draft audit report, *Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices*. If you choose to submit a written response to our draft report, your comments will generally be included in the final report. However, we ask that you submit your response to us no later than 12:00 noon on Monday February 28, 2005.

For your information, the mayor, deputy managing director, and each councilmember have also been provided copies of this **confidential** draft report.

Finally, since this report is still in draft form and changes may be made to it, access to this draft report should be restricted to those assisting you in preparing your response. Public release of the final report will be made by my office after the report is published in its final form.

Sincerely,

A handwritten signature in cursive script, appearing to read "Leslie I. Tanaka".

Leslie I. Tanaka, CPA
City Auditor

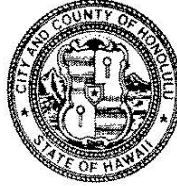
Enclosures

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 523-4616 • FAX: (808) 523-4771 • INTERNET: www.co.honolulu.gov

'05 FEB 23 P1:30

C & C OF HONOLULU
CITY AUDITOR

MUFU HANNEMANN
MAYOR



MARY PATRICIA WATERHOUSE
ACTING DIRECTOR

PATRICK T KUBOTA
DEPUTY DIRECTOR

February 18, 2005

Mr. Leslie I. Tanaka, CPA
City Auditor
Office Of The City Auditor
City and County of Honolulu
1000 Uluohia Street, Suite 313
Kapolei, Hawaii 96707

Dear Mr. Tanaka:

We are in the process of preparing a response to your draft audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices. Susan Hall should be commended in conducting a very comprehensive and thorough report. Thank you for your kind observations of the noteworthy improvements the purchasing staff accomplished to improve the City's procurement function.

My staff has been trying to contact Ms. Hall for additional information on some of the contracts and documents. The departments and agencies noted in the audit are also being contacted to provide responses to findings pertinent to their area. Unfortunately it will take more time than the due date of February 28, 2005.

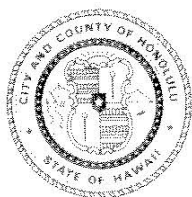
I am requesting an extension to March 4, 2005. This should give us enough time to receive the department's reply and to prepare a final response to you. Your kind consideration is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "MP Waterhouse", written over a horizontal line.

MARY PATRICIA WATERHOUSE, Acting Director
Department of Budget and Fiscal Services

MPW:jf



OFFICE OF THE CITY AUDITOR
CITY AND COUNTY OF HONOLULU
1000 ULUOHIA STREET, SUITE 313, KAPOLEI, HAWAII 96707 / PHONE: (808) 692-5134 / FAX: (808) 692-5135

LESLIE I. TANAKA, CPA
CITY AUDITOR

February 22, 2005

COPY

Ms. Mary Patricia Waterhouse
Acting Director
Department of Budget and Fiscal Services
530 South King Street, Room 208
Honolulu, Hawaii 96813

Dear Ms. Waterhouse:

We received your request dated February 18, 2005 asking for an extension of the due date for your response to our draft audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices. We will grant you an extension to March 4, 2005 as requested and ask that your response be received by our office by 12:00 noon.

If you have any questions, please do not hesitate to call me at 692-5134.

Sincerely,

A handwritten signature in cursive script, reading "Leslie I. Tanaka".

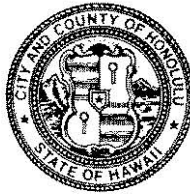
Leslie I. Tanaka, CPA
City Auditor

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 523-4616 • FAX: (808) 523-4771 • INTERNET: www.co.honolulu.gov

'05 MAR -4 P12 :03

C & C OF HONOLULU
CITY AUDITOR

MUFI HANNEMANN
MAYOR



MARY PATRICIA WATERHOUSE
ACTING DIRECTOR

PATRICK T KUBOTA
DEPUTY DIRECTOR

March 4, 2005

Mr. Leslie I. Tanaka, CPA
City Auditor
Office Of The City Auditor
City and County of Honolulu
1000 Uluohia Street, Suite 313
Kapolei, Hawaii 96707

Dear Mr. Tanaka:

RE: Response to Draft Audit Report of the City's Sole Source, Emergency, and Professional Services Procurement Practices

Thank you for providing us the opportunity to review and comment on your draft audit report titled "Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices" dated February 14, 2005. We appreciate the additional time you have provided us to submit our response. The extension of time has enabled us to develop meaningful feedback to assist in your final report preparation. We value your input and believe that complete, accurate and unbiased audits provide significant value to the City.

We have reviewed the draft report in an effort to make sure the results as communicated have been based on a complete set of facts and accurate information. Input was solicited from all departments and agencies that were involved in the audit and their feedback has been incorporated into this response. The input identified many inaccuracies and missing facts in the draft report that we believe have a significant impact on the conclusions.

Attachment I provides our response to specific aspects of the draft report and is organized by reference to report page numbers. We hope that you will address the information we have provided prior to issuing your final report. We will analyze and evaluate each final recommendation made in your audit and will implement those that are determined to provide value to the City.

Mr. Leslie I. Tanaka, CPA

March 4, 2005

Page 2

The new administration is committed to enhancing City operations. Therefore, we are interested in identifying not only the areas for improvement but also the operations that are working well. We appreciate your positive comments regarding the noteworthy improvements to the City's procurement function and operation.

Should you have any questions or require additional information regarding any of the responses provided as you complete your audit and prepare your final report, please do not hesitate to contact me at 527-4617.



MARY PATRICIA WATERHOUSE
Acting Director of Budget and Fiscal Services

MPW:ve

Attachment

Approved:



Trudi Saito
Deputy Managing Director

cc: Mayor

ATTACHMENT 1
Specific Comments to Draft Audit Report
March 4, 2005

Sole Source Procurement

Pages 16 – 19: Anti-competitive approvals are costly and contrary to prudent purchasing practices.

See Attachment A. Memorandum dated February 24, 2005 from the Director, Human Resources to Director, Budget and Fiscal Services responding to the finding.

Pages 20 –23: Sole source purchase of expensive litter receptacles costly.

Hawaii Revised Statutes Section 103D-402 grants the chief procurement officer the authority to determine the specifications for goods and services required by the City. These specifications are developed to reflect the needs and requirements of City agencies. We are unaware of any law or rule that requires the City to purchase products just based on the lowest price. Furthermore, Hawaii Administrative Rules Section 3-122-81 states that proprietary items and compatibility to existing equipment are valid justification for sole source procurement. The authority to approve sole source procurement rests with the chief procurement officer under Hawaii Revised Statutes Section 103D-306.

Page 23: Use of CIP funds violated the City debt policy.

The draft report appears to inaccurately conclude that the purchase of trash receptacles using CIP funds violates the City debt policy. The conclusion appears to be based on incomplete data.

Section II A 1 of the City's debt and financial policies states in part: " Items such as light poles and playground equipment whose individual cost is less than \$5,000 may be funded in the capital budget if aggregated and made an integral part of a project costing \$25,000 or more and the estimated service life of every major component of the project is 5 years or more, such as a project to replace all of the light poles in a neighborhood or a project to replace a park's facilities including playground equipment."

The purchase of trash receptacles was part of the fiscal year 2002 Executive Capital Improvement Program Budget and the worksheets supporting the budget. The trash receptacles were identified in specific projects (i.e. bus stop site improvements) costing over \$25,000 and an estimated useful life of 5 years was assigned to the trash receptacles. The relevant portions of the detail budget and supporting worksheets are available for your review prior to issuing the final report.

The trash receptacles have a useful life of 5 years or more and were part of projects costing over \$25,000 and therefore in our opinion the purchases were made in compliance with the City's debt and financial policies.

Pages 23 –26: Non-competitive procurement of rainbow appliqué for City buses raise concern.

Restrictive specifications were not used in the procurements. In fact, the bid documents contained provisions that permitted bidders to offer alternate brands or material. It is a common, accepted and non-restrictive practice to use brand names to describe the type and quality of product desired. On occasion, the brand name is more familiar to the public than the generic product name. This may occur when there is market recognition of a brand or product as being an industry leader. Examples include the use of "Scotchprint" to describe applique, "Scotch tape" to describe transparent plastic adhesive tape, and "Post-it" to describe removable self-adhesive notepaper pads. The City requires contractors to warrant the performance of the products that are furnished to the City. Contractors may decide to respond to these requirements by choosing to offer the product of a recognized brand or industry leader.

Page 26-28: Last minute change on the City's hybrid-electric bus contract was costly

See attachment B. Memorandum dated March 1, 2005 from the Director, Transportation Services to Director, Budget and Fiscal Services responding to the finding.

Pages 28 – 30: Non-competitive procurement of Brunch on the Beach services inappropriate.

Hawaii Revised Statutes Section 103D-102 bestows on the chief procurement officer broad authority to exempt procurements from the requirements of the procurement code. Under Section 3-120-5 of the Hawaii Administrative Rules, the chief procurement officer shall consider the circumstances of each individual case and may make a final and conclusive decision to approve exemptions. A prior chief procurement officer obtained an opinion from the Department of the Corporation Counsel that procurement of Brunch on the Beach services from the Waikiki Improvement Association was proper (see attachment C).

Pages 30 – 31: Greater access to sole source information is warranted; Public notices on the City's intent to award sole source contracts are only posted at City Hall.

Section 103D-306, Hawaii Revised Statute, Sole source procurement, requires a notice of intent to issue a sole source contract be posted in an area accessible to the public. The Purchasing Division has always utilized the procurement notices bulletin board to post all procurement notices including sole source notices. Thus far, there have been no complaints by the public. The Purchasing Division will look into the possibility of posting sole source notices on the web site.

Emergency Procurement

Pages 33 – 34: Hiring replacement computer systems professional inappropriate for emergency procurement.

Pursuant to the Chief Procurement Officer's interpretation of Section 103D-307 of the HRS, an emergency procurement is allowed provided one of the three conditions exists, that is continued functioning of government will be hindered. Real property taxes represent approximately 70% of the City's general fund revenue. As of January 1, 2002, the City needed over \$169 million from the second real property tax installment to meet the budgeted revenue amount and ensure adequate cash to meet salaries and current expenditures for the second half of the fiscal year 2002. The inability to collect \$169 million of budgeted revenue would have jeopardized the continued functioning of the City.

The implementation of the assessment portion of the system preceded the billing and collection module. The assessment portion maintains all ownership information including names and addresses. Once the assessment portion was operational, updates to ownership information on the old mainframe system ceased as maintaining both systems were onerous. Therefore, in order to ensure that bills were sent to the correct owner, it was imperative that the billing and collection module be implemented without delay.

The need for a replacement project manager was not known "well in advance." While there may have been concerns, BFS fully expected to work with the project manager to address those issues. It was only on July 6, 2001, after discussions with the project manager, that it was decided to terminate the contract.

The situation was more than a "management emergency." At the point where the project manager's contract was terminated, assessment portion of the system was fully implemented and operational whereas the billing and collection module had just begun. Consequently, the current names and addresses required for real property tax bills were on the new system while the amounts due on each parcel were on the old mainframe system. In order to properly bill and collect the real property tax second installment, the billing and collection module needed to be installed by January 2002. The six-month implementation schedule was aggressive and, without a project manager, would not have been feasible.

The project would have lost three to six months of valuable time if the normal request for proposal process were followed. Time was of the essence and the collection of as much as \$169 million was at risk. Without those monies, the City may have been unable to meet general fund obligations, including police and fire payroll, electricity for city buildings, telephone services and other basic expenses essential for the City to function.

The first project manager was engaged as an independent contractor and was not an employee of the City. The contract for his services was terminated. He was not fired.

Pages 34 – 35: Use of purchase orders lack contractual safeguards; Emergency road repaving procured through purchase orders.

The Hawaii Administrative Rules, 3-122-90(c) requires that purchase orders be issued for emergency purchases. While it is true that the use of purchase orders for emergency procurements may lack the contractual “safeguards” contained in competitive sealed bid contracts, the responsibility to incorporate these provisions lie with the requesting department/agency. When an emergency occurs, the department/agency determines the scope of the work and negotiates directly with the contractor to alleviate the threatening situation. It’s at this point, that the warranty, liquidated damages, and other “safeguards” are discussed.

Safeguards that are contained in competitive sealed bids contracts may not be applicable to services obtained through emergency procurement. For example, warranty provisions are included in contracts to ensure a durable end product. The end product for an emergency procurement may be to provide a temporary repair until a permanent repair can be determined and a contractor secured on a competitive basis.

Pursuant to the Department of Budget and Fiscal Services Policies and Procedures Manual, prior approval, if time permits or as soon thereafter as possible, is required from the Director of Budget and Fiscal Services. Where approval is obtained from the Director of Budget and Fiscal Services prior to the department/agency soliciting quotes, the Division of Purchasing can recommend including all applicable “safeguards” in their negotiations.

Pages 35 – 36: Missing and inaccurate information in the official emergency procurement files needs attention.

The Purchasing Division makes every attempt to ensure all contractual documents are complete and included in the files. It would be helpful if the auditor could identify the procurement file(s) that are missing documents or contain inaccurate information so that they could be corrected.

Professional Services Procurement

Pages 36 – 37: Procurement files reflect efforts to comply but attention to documentation needed. Certain documentation reflects subjectivity in the evaluation process.

Chapter 103D-304 of the Hawaii Revised Statutes, Procurement of Professional Services, requires the selection committee to rank a minimum of three firms/persons based on the following selection criteria:

- (1) Experience and professional qualifications relevant to the project type;
- (2) Past performance on projects of similar scope for public agencies or private industry, including corrective actions and other responses to notices of deficiencies;
- (3) Capacity to accomplish the work in the required time; and

(4) Any additional criteria determined in writing by the selection committee to be relevant to the purchasing agency's needs or necessary and appropriate to ensure full, open, and fair competition for professional services contracts

The method employed in ranking the firms/persons is based on a numeric system using the above criteria. Multipliers are assigned to each criterion in a descending order of importance. The use of a numeric based system attempts to remove the subjectivity of the selection process.

The inclusion of narratives in selecting process is not required by statutes and is not used as a deciding factor in the selection. The narratives are supporting documents that are kept in the purchasing agency's project files. However, recent submissions of the ranking and delegation of negotiation authority has included a narrative that appears to be more concise and objective.

Page 39: Discrepancies in Corporation Counsel's professional services contracts indicate the need for detailed review.

See attachment D. Letter addressed to Mr. Leslie Tanaka, City Auditor, dated February 28, 2005 from the Corporation Counsel responding to the finding noted in the audit.

Auditor's Access to Information

Page 40: Restrictions violate charter provisions.

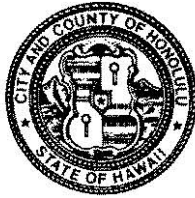
The information provided regarding access to files and documents is incomplete and should include, at a minimum, the City Auditor's October 15, 2004 (see attachment E) correspondence, as well as the October 26, 2005 (see attachment F) response by the Department of Design and Construction. Copies are attached for reference.

As pointed out in the correspondence, the City follows basic business protocol when interacting with outside auditors. The protocol is necessary to enable the City to meet its responsibility to safeguard documents from loss and to properly handle any attorney/client information. It is our opinion that we fully cooperated with your office and will continue to do so following basic business protocol.

DEPARTMENT OF HUMAN RESOURCES
CITY AND COUNTY OF HONOLULU
550 SOUTH KING STREET
HONOLULU, HAWAII 96813

Attachment A

MUFI HANNEMANN
MAYOR



KENNETH Y. NAKAMATSU
ACTING DIRECTOR

March 4, 2005

TO: MARY PATRICIA WATERHOUSE, ACTING DIRECTOR
DEPARTMENT OF BUDGET AND FISCAL SERVICES

ATTN: CHARLES KATSUYOSHI, PURCHASING ADMINISTRATOR

FROM: *KYU* KENNETH Y. NAKAMATSU, ACTING DIRECTOR
DEPARTMENT OF HUMAN RESOURCES

SUBJECT: COMMENTS ON DRAFT AUDIT REPORT

We offer the following comments for your consideration when responding to the draft audit report:

1. Page 18, last paragraph. "The administrator also noted that there was not enough time to advertise for proposals." This conflicts with the first paragraph on page 19 that states, "On February 27, 2002, a full year in advance of the contract completion date, the workers' compensation division administrator informed the Purchasing Division that the final contract extension would end in March 2003 and inquired whether they would have to go out for another request for proposals or if there was a way to give the firm additional extensions." The referenced administrator never doubted that there was enough time to go out with an RFP for these services. Rather, the key factor leading to the sole source procurement request centered on whether or not the City could expect serious responses to an RFP by companies other than the one providing these services to the City over the previous five years and whether or not a new vendor could develop the system interface with the City's workers' compensation software vendor, so that there would be no interruption in bill auditing and payment services. Based upon the administrator's experience in working with the current vendor, the time and effort that went into programming and developing the system interface (it took 2 years before the bill payment portion of the contract could be implemented), would put any bidder other than the current vendor at a disadvantage to compete and would ultimately delay the needed services. The most likely result of a competitive procurement process would be that the vendor providing the services for the last 5 years would be selected again.

2. Page 19, last paragraph. "Yet when we contacted the State Workers' Compensation Division regarding their auditing and bill payment service provider, they informed us that they had recently completed a competitive procurement for a new provider. The state identified three companies with sufficient staffing and resources locally to process the volume of medical bills generated by the State or City. While they gave serious consideration to the firm used by the City, the state awarded its contract to a different company. When asked how the state identified those companies, the administrator replied that the workers' compensation community in Hawaii is close-knit, thus users and providers are well aware of each other's needs and capabilities. Had the City advertised a request for proposals, it is likely that other companies would have been interested in the City's contact."

We find this paragraph full of inaccuracies. First, we contacted the State Workers' Compensation Division administrator. In our assessment of the history they presented to us, to date, they have never procured competitively for workers' compensation bill auditing and payment services. In fact, the State administrator never spoke with the City Auditor's representative doing the study. The State administrator did confirm that her workers' compensation branch chief spoke with the Auditor's representative briefly, but that the summary in this paragraph of the Audit Report regarding competitive procurement was inaccurate. Secondly, we checked with our contractor about their participation in a competitive procurement process. We were informed that they have never participated nor were they ever included in a State competitive procurement process as one of a number of companies identified as potential vendors for bill auditing or payment services nor were they ever invited to bid or submit a proposal for such work, even though they are the largest provider of such services in Hawaii. Our vendor informed us that they have marketed to the State Workers' Compensation Division administrator, have audited the State Workers' Compensation Division for the Office of the Auditor (State of Hawaii), and have worked with the State Workers' Compensation Division on County of Hawaii claims administered by the State Workers' Compensation Division. In no instance have they ever participated in a competitive bid process for medical bill auditing and payment services for the State.

3. We believe the decision to use sole source procurement for the City's workers' compensation medical bill auditing and bill payment services contract is still valid. First, there is no firm in Hawaii other than our vendor that has the capability to professionally process over 20,000 medical bills annually (the sheer volume of this work requires more than the 1 or 2 Certified Professional Coders employed by most companies; our contractor employs 7). Second, the process of developing the interface with the City's Renaissance software took over one year with the current contractor who performed the custom programming work and workflow development at no additional cost to the City. The programming and coordinating of this work was extensive and we do not believe a new contractor could have developed another interface with our software and their bill audit program in a timely, efficient fashion. Any delays would have made a seamless transition to a new vendor impossible, resulting in delays in bill auditing and payment services.

Mary P. Waterhouse
March 4, 2005
Page 3

Over the past five years, the current contractor has reviewed over \$31 million in medical charges for the City and County of Honolulu. Recommended reductions and service fees to the contractor have resulted in net program results (savings to the City after paying the vendor's fees) of over \$9 million. This information was shared with the City Auditor, yet no mention of this is made in the report. We believe the success of this program and the savings to the taxpayers supports the choice of our sole source contractor. The justification for sole source procurement, developed with input from your Procurement Office, did not circumvent the competitive procurement process. Sole source procurement saved time and allowed the City to continue to use the most competent vendor in the State for bill auditing and payment services, without going through a software interface programming and development process with a new vendor that most likely would have resulted in delays. The County of Hawaii, State Judiciary, HEMIC, Department of Labor and Industrial Relations Special Compensation Fund, and even the State Auditor's Office (Marion Higa), use this firm to provide bill review services because the vendor providing these services has a unique methodology that delivers the most professional medical bill audit and exceptional program results. Based on our contacts with these agencies, none of them used a competitive procurement process to obtain these services.

cc: Mike Hansen (BFS)

DEPARTMENT OF TRANSPORTATION SERVICES Attachment B
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 3RD FLOOR
HONOLULU, HAWAII 96813

Phone: (808) 523-4529 • Fax: (808) 523-4730 • Internet: www.co.honolulu.hi.us

MUFI HANNEMANN
MAYOR



2005 MAR -2 A 8:32
EDWARD Y. HIRATA
ACTING DIRECTOR

March 1, 2005

MEMORANDUM

TO: MARY PATRICIA WATERHOUSE, ACTING DIRECTOR
DEPARTMENT OF BUDGET AND FISCAL SERVICES

FROM: EDWARD Y. HIRATA, ACTING DIRECTOR
DEPARTMENT OF TRANSPORTATION SERVICES

SUBJECT: REVIEW OF SELECTED PAGES IN THE CONFIDENTIAL
DRAFT AUDIT REPORT

We were provided copies of pages 23 through 28 of the report, "Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices," for our review and comment.

Our comments are as follows:

We have no comments pertaining to the discussion regarding "Non-competitive procurements of rainbow appliqué for City buses raises concern."

Our comments regarding "Last minute paint change on the City's hybrid-electric bus contract was costly" are as follows:

- A mainland firm was not hired to re-paint the buses with the new two-tone gray color scheme.

DTS originally contacted two mainland firms (whose names and contact information were provided by New Flyer, the bus manufacturer, because they regularly work with them) for the purpose of getting a firm idea of the price involved so that the Managing Director could decide whether to proceed with the paint scheme change. A separate contract to paint the buses would affect the warranty for the paint job due to the addition of another party. For example, if there were flaws in the paint job discovered upon delivery, the flaws could have occurred during transit to the dock (New Flyer), during its time with the second contractor, or during the time that New Flyer originally painted the bus.

Mary Patricia Waterhouse, Acting Director
Department of Budget and Fiscal Services
March 1, 2005
Page 2

- The City later executed a change order with New Flyer of America, the City's contractor for the hybrid-electric bus acquisition, to have the work done. The request to amend the contract was sent by memorandum on August 4, 2004, to BFS and subsequently approved by the Director of BFS (see attachment).
- Contract Amendment No. 2 for purchase of additional hybrid-electric articulated buses was not executed.
- We are unable to confirm the price of \$2,600 per bus for the new TheTransit appliqué redesign, manufacturing, and installation.

We understand that the graphics supplier had already produced five of the original wraps when notified of the change. However, Fleet Street Graphics agreed to do the redesign, manufacturing, and installation work as part of the originally quoted price.

Thank you for this opportunity to review and comment on the report. Should you have any questions, please call Mr. James Burke, Acting Chief, Public Transit Division, at Local 6891.


EDWARD Y. HIRATA

Attachment: Memo to BFS

DEPARTMENT OF TRANSPORTATION SERVICES
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 3RD FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4529 • FAX: (808) 523-4730 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



August 4, 2004

CHERYL D. SOON
DIRECTOR

GEORGE KEOKI MIYAMOTO
DEPUTY DIRECTOR

DIRECTOR'S OFFICE
DEPT. OF
TRANSPORTATION SERVICES

RECEIVED
AUG 11 11:47

MEMORANDUM

**TO: IVAN M. LUI-KWAN, DIRECTOR
DEPARTMENT OF BUDGET AND FISCAL SERVICES**

**VIA: BENJAMIN B. LEE, FAIA
MANAGING DIRECTOR**


**FROM: CHERYL D. SOON, DIRECTOR
DEPARTMENT OF TRANSPORTATION SERVICES**

**SUBJECT: REQUEST FOR PRE-APPROVAL TO AMEND CONTRACT
NO. F-26594 FOR THE PURCHASE OF TEN HYBRID-ELECTRIC
60 FOOT ARTICULATED LOW FLOOR BUSES**

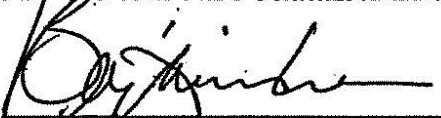
This is to request your approval to increase the existing contract with New Flyer of America for the purchase of ten Hybrid Electric, 60 foot, low floor, articulated buses by \$180,000.

The increase is a result of revisions to the paint specifications for the bus.


Please contact Clyde Earl at 4138 if you have any questions or need additional information.


CHERYL D. SOON
Director

APPROVAL RECOMMENDED:


BENJAMIN B. LEE, FAIA
Managing Director

APPROVED:


IVAN M. LUI-KWAN, DIRECTOR
Department of Budget and Fiscal
Services

NOTICE OF EXEMPTION FROM CHAPTER 103D, HRS

The Chief Procurement Officer is in the process of reviewing the request from the Office of Waikiki Development for exemption from Chapter 103D, HRS, for the following goods, services, or construction:

Services of the Waikiki Improvement Association (WIA), a non-profit organization, to support the monthly BRUNCH ON THE BEACH events in Waikiki beginning July 15, 2001. Services provided by WIA include promoting the BRUNCH ON THE BEACH events and coordinating obtaining goods and services from Waikiki hotels, including obtaining the services of restaurants to participate in the events, obtaining food, decorations, and other related items.

Vendor: Waikiki Improvement Association

Address: 2255 Kuhio Avenue, Suite 760, Honolulu, Hawaii

Term of Contract:	From: 7/15/01	To: 1/15/02	Cost: \$50,000.00
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Direct any inquiries to:

Department: Office of the Mayor, Office of Waikiki Development

Contact Name/Title: Peter Apo/Executive Director

Address: 530 S. King Street, 3rd Floor

Phone Number: 527-5751

Fax Number: 527-6102

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 104

Date Notice Posted: 7/6/01

A copy of this notice of exemption from Chapter 103D, HRS, shall be posted by the Chief Procurement Officer and the purchasing agency in an area accessible to the public, at least seven (7) calendar days prior to any approval action.

Submit written objections to this notice to issue an exemption from Chapter 103D, HRS, within seven (7) calendar days from the date this notice was posted to:

Chief Procurement Officer

Office/Agency Purchasing Division

Address 530 S. King Street, Room 115

Honolulu, Hawaii 96813

FOR FILE

Goro, Earl

From: Taniguchi, Edlyn
Sent: Thursday, July 19, 2001 7:52 AM
To: Goro, Earl
Subject: FW: WIA Exempt Procurement

Earl:
Please print this e-mail message and include with your purchase requisition file for WIA. Thanks.
Edlyn

-----Original Message-----

From: Takahashi, Carol
Sent: Thursday, July 19, 2001 7:26 AM
To: Taniguchi, Edlyn
Subject: FW: WIA Exempt Procurement

Edlyn, please attach to the file. Thanks
CT

-----Original Message-----

From: Diebling, Chris A.
Sent: Monday, July 09, 2001 4:35 PM
To: Takahashi, Carol
Subject: WIA Exempt Procurement

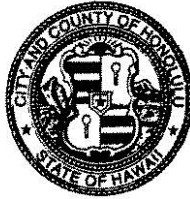
Carol: I have reviewed the Request For Exemption From Chapter 103D, pertaining to the Brunch on the Beach program being proposed by the Office of Waikiki Development and it is my legal opinion that this falls under section 103D-102(b)(4) as being not practicable or not advantages to the City to procure this service competitively. Chris

DEPARTMENT OF THE CORPORATION COUNSEL
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 110 • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4859 • FAX: (808) 523-4583

Attachment D

MUFU HANNEMANN
MAYOR



CARRIE K.S. OKINAGA
CORPORATION COUNSEL

February 28, 2005

Leslie I. Tanaka, CPA
City Auditor
1000 Uluohia St., Ste. 313
Kapolei, Hawaii 96707

Re: Response to Draft Audit Report

Dear Mr. Tanaka:

This is written in response to portions of the confidential draft audit report, *Audit of the City's Sole Source, Emergency, and Professional Services Procurement Practices* (the "Report"), relating to the Department of the Corporation Counsel ("COR"). The Report revealed valid concerns with statutory reporting requirements, and we have taken action to address those concerns, as set forth herein. With respect to COR's professional services contract selection process, however, the Report appears to make findings based on misunderstanding or incomplete information, and we seek herein to offer clarification and information. We request that the Auditor complete his investigation regarding these points of clarification so that the Report may more accurately reflect COR's compliance therewith.

Alleged Discrepancies in COR's Professional Services Contract Selection Process

Act 52, 2003 Session Laws of Hawaii, which took effect on July 1, 2003, amended provisions of Hawaii Revised Statutes ("HRS"), Chapter 103D (the Procurement Code), including provisions for the procurement of professional services. Upon the enactment of Act 52, COR immediately took steps to institute a new selection process which involved the establishment of a review committee and a selection committee, together with use of a ranking system documented by the selection committee in writing. Attached please find the form currently used by the selection committee members. We would be happy to provide you with access to case files in which this form was used.

Leslie I. Tanaka, CPA
February 28, 2005
Page 2

The selection process followed by COR for the three legal counsel contract awards randomly selected for review by the City Auditor either pre-dated Act 52 (2003), or coincided with the institution of the revised selection process utilized by COR subsequent to the Act.¹

In the case of COR's current selection process, the selection committee creates a chart with qualified consultants and their scores in each of the statutorily described selection criteria. This chart summarizes the qualifications for the ranking of each of the qualified consultants by showing how each qualified consultant was scored under each specifically ranked selection criteria category and ranked according to total score. This ranking system better provides the information used to determine the basis for the contract award than narrative evaluations because it shows how each qualified consultant was scored and ranked in each selection criteria category.

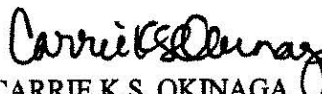
While the Draft Report concludes that COR is violating procurement law by not providing "narratives," please note that we do not concur that either the pre-Act 52 or post-Act 52 as discussed with Susan Hall of your office, procurement law requires "narratives." In any event, the Draft Report did not specifically identify which provisions of the law the City Auditor believed were violated by COR's prior selection process, and we believe the selection process currently used fully satisfies the concerns you raised,

Compliance with Statutory Reporting Requirements

The newly-appointed COR Administration will comply fully with the statutory requirements relating to electronic posting and has already taken steps to address the situation. The "Professional Services Awards – New Record Input Forms" have been completed and submitted to Purchasing for all professional services contracts awarded by COR over the past year, together with all supporting documentation relating to selection which is contained in the case files.

We hope the information provided herein will assist in your review and assessment of this matter. Please do not hesitate to contact me should you require anything further, or have any additional concerns.

Very truly yours,


CARRIE K.S. OKINAGA
Corporation Counsel

FY2004-2005 PROFESSIONAL SERVICES SELECTION FORM
CITY & COUNTY OF HONOLULU

PROJECT TITLE: _____
 SCOPE OF SERVICES: _____
 PROFESSIONAL SERVICE CATEGORY: Legal services

FIRM NAME	EXPERIENCE AND PROFESSIONAL QUALIFICATIONS (Multiplier = 4)		PAST PERFORMANCE ON PROJECTS OF SIMILAR SCOPE (Multiplier = 3)		CAPACITY TO ACCOMPLISH THE WORK IN THE REQUIRED TIME (Multiplier = 2)		TOTAL WEIGHTED RATING	FINAL RANK
	RATING	WEIGHTED RATING	RATING	WEIGHTED RATING	RATING	WEIGHTED RATING		
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								

RATING SCALE: 5 = Very good
 3 = Satisfactory
 1 = Minimal

NAMES OF EVALUATORS

TITLE

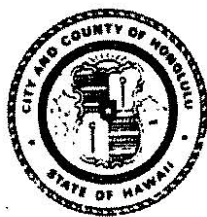
Deputy Corporation Counsel, City & County of Honolulu

Deputy Corporation Counsel, City & County of Honolulu

Deputy Corporation Counsel, City & County of Honolulu

80811
DEC 1 20

Attachment E



LESLIE I. TANAKA, CPA
CITY AUDITOR

OFFICE OF THE CITY AUDITOR
CITY AND COUNTY OF HONOLULU
1000 ULUOHIA STREET, SUITE 313, KAPOLEI, HAWAII 96707 / PHONE: (808) 692-5134 / FAX: (808) 692-5135

October 15, 2004

Mr. Timothy E. Steinberger, P.E.
Director
Department of Design and Construction
City and County of Honolulu
650 South King Street, 11th Floor
Honolulu, Hawaii 96813

Dear Mr. Steinberger:

As you are aware, the City Auditor is conducting an audit of the City's emergency, sole source, and professional services procurement practices. We are reviewing all documents and conducting interviews with City administrators and staff related to the City's procurement activities at both the Department of Budget and Fiscal Services *and* the City agencies, including the Department of Design and Construction (DDC), which have requested such procurements. To my dismay, the department has been hindering the conduct of this audit, and continues to do so despite several recent discussions between my audit manager and the acting deputy director of design and construction.

The City Charter grants the City Auditor complete access to any City information and City staff. Section 3-502(d)3 of the Revised Charter of Honolulu (RCH), specifically authorizes the City Auditor to have:

"...full, free, and unrestricted access to any city officer or employee and shall be authorized to examine and inspect any record of any agency or operation of the city,..."

In addition, Section 3-502(d)5 specifies any agency or operation as:

"...any executive agency, semi-autonomous agency, council office, and other establishment of city government supported, in whole or in part, by city or public funds."

This section also broadly identifies city records as including:

"...any account, book, paper, and document, and any financial affair, notwithstanding whether any of the preceding is stored on paper or electronically."

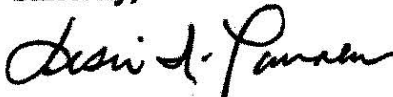
Mr. Timothy E. Steinberger
October 15, 2004
Page 2 of 2

The acting deputy director of design and construction has acknowledged the City Auditor's authority and access under the City Charter, but openly stated that the department would not comply. The department continues to select which documents the auditor can review; instructed department administrators and staff to not speak with the auditor without the director's permission; and requires that an employee's supervisor to be present during any interview. These actions are in direct violation of the City Charter and will not be tolerated.

Therefore, I request the department's full and immediate compliance with my office's request for information and access to staff as authorized by the City Charter. I will require the cooperation of all department administrators and staff to allow free and open responses to my auditors' requests for interviews without supervisory monitoring or limitations, and to make available any and all information requested for this audit.

Thank you for your complete cooperation in this matter.

Sincerely,



Leslie I. Tanaka, CPA
City Auditor

c: Donovan Dela Cruz, Council Chair
Jeremy Harris, Mayor
Benjamin B. Lee, Managing Director
Ivan Lui-Kwan, Director of Budget and Fiscal Services
Manny Menendez, Executive Director of the Economic Development Office
Michael T. Amii, Director of Community Services Department
David Z. Arakawa, Corporation Counsel, Corporation Counsel Department
Carol L. Costa, Director, Customer Services Department
Salvatore S. Lanzilotti, Director of Emergency Services Department
Alvin Au, Acting Director of Enterprise Services Department
Frank J. Doyle, Director of Environmental Services Department
Larry J. Leopardi, Director of Facility Maintenance Department
Chief Attilio Leonardi, Honolulu Fire Department
Cheryl Okuma-Sepe, Director of Human Resources Department
Courtney Harrington, Director of Information Technology Department
Dr. Kanthi von Guenther, Director of Medical Examiner Department
William D. Balfour, Jr., Director of Parks and Recreation Department
Eric G. Crispin, Director of Planning and Permitting Department
Chief Boisse Correa, Honolulu Police Department
Keoki Miyamoto, Acting Director of Transportation Services Department

DEPARTMENT OF DESIGN AND CONSTRUCTION

CITY AND COUNTY OF HONOLULU

850 SOUTH KING STREET, 11TH FLOOR
HONOLULU, HAWAII 96813
Phone: (808) 523-4564 • Fax: (808) 523-4567
Web site: www.cc.honolulu.hi.us

Attachment F

JEREMY HARRIS
MAYOR



TIMOTHY E. STEINBERGER, P.E.
DIRECTOR

October 26, 2004

Mr. Leslie Tanaka, CPA
City Auditor
1000 Uluohia Street, Suite 313
Kapolei, Hawaii 96707

Dear Mr. Tanaka:

I am in receipt of your correspondence dated 15 October 2004. I am uncertain as to what information regarding the access of files has been relayed to you, but there appears to be a lapse in communication, either between our departments or within our departments.

Following the discussion between Susan Hall and Eugene Lee held on October 6, 2004, an e-mail message was sent to Ms. Hall on that same day by Mr. Lee indicating that the request for access to the "working" project files needs to be channeled through the Managing Director's office. The reason for this procedure was clarified in a subsequent e-mail sent to Ms. Hall on October 7, 2004, which indicated that the files for projects that may be subject to litigation would first require review by the City's attorneys for any attorney-client privileged information prior to release. Since Mr. Lee attempted to call Ms. Hall on October 8, 2004 but was unsuccessful in reaching her, he sent a follow-up e-mail message to further advise that the review for pending litigation would be completed shortly. Copies of these e-mails are attached herewith.

The earlier instruction to the DDC staff regarding the access to files was based, among others, upon the concern indicated above, that a review be conducted for project material that may be in the files which is considered to be attorney-client privileged.

The files that were requested by Ms. Hall were in fact cleared and made available to her for her review. It is my understanding that she did come to DDC, reviewed the files and made copies. Thus, it is somewhat surprising that your correspondence was sent after her review of the requested files.

As you may recall, prior to the scoping phase of the audit, the Department of Budget and Fiscal Services met with your office to discuss the procedures for file access and interviews as related to the audit. The procedures proposed by the City are consistent with the protocol that has been used without difficulty, between the City and its private outside auditors.

Mr. Leslie Tanaka, CPA
October 26, 2004
Page 2

At that time, you had indicated your office initiated the audit and it was to focus on emergency procurement, sole source procurement and the procurement of professional services. The agency that is intended to be the beneficiary of the audit is the Department of Budget and Fiscal Services, as the department with contracting authority on behalf of the City. Other departments, such as ours, may be involved since we request procurements for these services and goods.

As stated at that meeting, our concern is that the interviews should be conducted with the appropriate personnel who have the relevant information and are most knowledgeable about the projects in order to provide the most accurate and complete information for the audit. Often, supervisors have a broader knowledge of the projects, especially since DDC has lost numerous project managers to the State and federal work force over the past two years. Thus, an interview with a new project manager may not be productive since his/her range of knowledge of the project may be somewhat limited. DDC is in the best position to assist in identifying the most appropriate personnel for your gathering of information. In addition, we requested your cooperation in coordinating the records requests and scheduling of the interviews through Sandra Kunioka of DDC so as to minimize any disruption in the work of the DDC personnel.

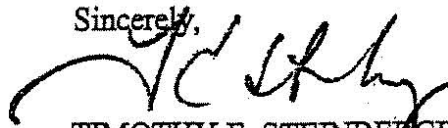
I have discussed your concerns with Mr. Lee and with Ms. Kunioka, who also assisted Mr. Lee. Based on my discussion with them and my review of the e-mail exchange, it appears to me that we have been cooperative in providing the requested information and we have not "fettered" the process. Rather, we simply stayed within our understanding of the agreed upon procedures.

It is not our intent to frustrate the process, and I believe we are all after the same objective, which is a complete and unbiased audit. To that end, we will continue to fully cooperate with your office in this matter, however, realizing that we also have a responsibility to safeguard our files from loss, and to ensure that all attorney/client privileged information related to any pending litigation/claim is first reviewed by the Department of the Corporation Counsel prior to release to your office.

Lastly, I am dismayed that a copy of your letter to me came via a news reporter before my office received the actual correspondence. I believe that a simple phone call could have resolved this issue instead of placing it into the media's arena. It is my opinion that an audit should help an agency to improve its procedures and operations. Establishing a poor relationship as a result of poor communication between offices only serves to hinder this service that the City Auditor provides.

If you have any questions, please call me at 523-4564.

Sincerely,



TIMOTHY E. STEINBERGER, PE
Director

TES:gc
Attachments

Lee, Eugene

From: Lee, Eugene
Sent: Friday, October 08, 2004 10:57 AM
To: Hall, Susan

Tried returning your call just now, but you weren't in.

Just to let you know, Sandra is checking with the various project managers to see if there are any pending litigations or claims related to the projects you wanted to review. Once that's cleared, she'll be giving you a call. Hopefully that should be a matter of a hour or two.

Lee, Eugene

From: Lee, Eugene
Sent: Thursday, October 07, 2004 5:52 PM
To: Hall, Susan
Subject: RE: Access to Files

Sorry I took so long to get back to you. The only thing that I'm advised I should clear first before releasing the files to you is whether any of the projects you want to look at have an ongoing or pending litigation. If there is, the attorneys need to first review those specific files for any attorney/client privileged information. If not, then it's all yours. I really don't anticipate that there are any in litigation, so I hope to get this resolved by tomorrow morning.

-----Original Message-----

From: Hall, Susan
Sent: Thursday, October 07, 2004 10:29 AM
To: Lee, Eugene
Subject: RE: Access to Files

Hi Eugene,

Thanks for your response.

Susan

-----Original Message-----

From: Lee, Eugene
Sent: Thursday, October 07, 2004 9:58 AM
To: Hall, Susan
Subject: Access to Files

This matter was discussed and I'll have a definitive answer for you (I hope) sometime right after lunch.

Lee, Eugene

From: Lee, Eugene
Sent: Thursday, October 07, 2004 9:58 AM
To: Hall, Susan
Subject: Access to Files

This matter was discussed and I'll have a definitive answer for you (I hope) sometime right after lunch.

Lee, Eugene

From: Lee, Eugene
Sent: Wednesday, October 06, 2004 9:36 AM
To: Hall, Susan
Cc: Lee, Benjamin B.; Lui-Kwan, Ivan
Subject: Audit of Non-Bid Contracts for Goods & Services

Pursuant to your verbal requests for access to our department's "working" files related to various identified sample emergency/sole source procurements, this confirms my response that it needs to be channeled through the Managing Director's office. I would suggest that your supervisor discuss this matter directly with the Managing Director. Please let me know if there are any questions.
Thank you.